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NEWS SUMMARY

GENERAL
Kerr quits: poll likely
A General Election within the next 12 months is expected to follow the resignation of Sir John Kerr as Governor-General of Australia.
Mr. Malcolm Fraser, the Prime Minister, has made it clear that Sir John's presence would not be acceptable when he came to campaign for re-election.
For his part, Sir John is understood to have been anxious to leave public life in order to argue his case on events which led him to dismiss the Labor Government in November, 1975.
Back Page

BUSINESS
Equities and gilts resilient; \$ firmer
EQUITIES made a late rally, after losing ground because of economic and political uncertainty. The FT 30-Share Index, down 2.7 at 3 p.m., came back to close unaltered on the day at 432.0.
GILTS also made a resilient showing. Longs closed with gains to 1, while shorts were only marginally easier. The FT Government Securities Index rose 0.05 to 67.50.
STERLING lost 12 points against the dollar to close at \$1.7184, but its trade-weighted index was unchanged at 61. Dollar was generally firmer.

Rees accepts jail findings
Sir Merlyn Rees, Home Secretary, accepted criticisms of error of judgement by the prison authorities in the report on last year's four-day riot of unrepentant prisoners at Brixton jail. But he said he would not move towards a policy of concentrating dangerous prisoners in one or two establishments.
Parliament, Page 13.
The Governor of Walton Jail, Liverpool, was called to the Home Office for talks on plans to house 1,500 prisoners caused by a prison officers' work-to-rule.

Runwick mail quest refused
Justice McKenna refused to grant High Court an order requiring the Post Office to hand over mail locked up in the Wickwood sorting office. The order had been sought by a businessman whose mail had been intercepted by the Runwick dispute.
Page 13

Terror suspect jailed 10 years
Claran McMorrow, 26, former soldier in the British and Irish Armies, and a prime suspect for scores of bombings in Britain, was jailed for 10 years in Dublin after being convicted by a special Criminal Court of possessing arms, ammunition and explosives and preventing his arrest. He also received two years concurrent for membership of the Provisional IRA.

UFOs suspected
Following the baffling deaths of 18 ponies on a remote part of an airforce, members of the Devon Unidentified Flying Objects Centre, scoured the area with metal detectors and a geiger counter. The deaths resemble highly inexplicable cases which have been linked to UFO sightings in the U.S.

144m. India aid
Division of British aid of 44m., which will be mainly disbursed over the next two years, was announced in New Delhi by Mrs. Judith Hart, Overseas Development Minister.

names tunnel
A 11-mile tunnel is to be built under the Thames as part of a 3.5m. interim scheme to improve transport links in London docklands.
Page 8

Briefly...
At least 20 miners were feared killed in a coal mine blast in eastern Colombia.
An Egyptian-born finance broker was remanded in custody at Bow Street, London, accused in French extradition proceedings of dishonestly obtaining proprietary notes worth 337.5m.
Sixteen, who left Queens Park Rangers last week, is to be given Manchester United to a case of dismissed Tommy Whelan.
Scout movement's membership has increased this year by 150,000 boys and 4,500 girls, said Sir William Johnston, the Chief Scout Wounded.

STOCK PRICE CHANGES YESTERDAY
Prices in pence unless otherwise indicated

RISERS	
Acuity 14pc 94	+1111
Adair	+300
Ades Metcalfe A	+15
Allfords	+150
Bar Engineering	+17
Beecham	+87
Beecham	+53
Bush Cavd Clothing	+7
Canter	+390
Canter	+33
Canter	+87
Canter	+162
Canter	+49
Canter	+206
Canter	+125
Canter	+118
Canter	+413

HEALEY TO MAKE COMMONS STATEMENT TO-DAY

Cabinet abandons plan for pay policy White Paper

BY RICHARD EVANS, LOBBY EDITOR
Firm Government plans for producing a detailed White Paper to-day on a revised incomes policy were abandoned by the Cabinet yesterday in an attempt to maintain a more flexible relationship with the unions.
Mr. Denis Healey, Chancellor of the Exchequer, will outline to the Commons this morning the Cabinet's views on the next phase of pay policy after July 31, together with proposals on price restraint and tax changes.
One of the difficulties facing the Cabinet is that Ministers are trying to simultaneously gain the support or retain the goodwill of trade union leaders and the rank and file, Mr. David Steel said.
The majority of the Cabinet, with the support of Mr. James Callaghan, clearly felt that Mr. Healey's proposal for a White Paper containing a precisely defined policy could have antagonised the unions unnecessarily at a time when Ministers believe there is still some chance of voluntary pay restraint for a major part of the coming year.
The Cabinet's intention was to keep the door open for further negotiations on pay with the unions in the autumn, and to make a tactical withdrawal from what looked like developing into an aggressive "go it alone" policy.
All the indications last night were that the Chancellor, who went to the Cabinet with a draft of his White Paper, was overruled by a substantial majority of Ministers, who felt that his Government and Sir Geoffrey Howe, Shadow Chancellor, for the Opposition.
Once over this hurdle, the Government will be approaching the relative calm of the long summer recess, which Mr. Michael Foot, Leader of the Commons, announced yesterday will start on July 29. The Government will then be safe from the fear of a Parliamentary defeat until the new session starts in November.
The Chancellor, in his statement to-day which will be followed by a Press conference, is expected to restate his belief, that there should be a target for rises in earnings of less than 10 per cent. for the coming year.
The Government's plan is still to give a lead in the public sector and to appeal for restraint throughout private industry.
The aim is to gain control over pay settlements by the strict enforcement of monetary and expenditure limits set last autumn in the negotiations with the International Monetary Fund.
But Ministers are still having a great deal of hope on the residual fund of goodwill in the trade union movement for a Labour Government, and are considering by union leaders that excessive wage demands would be to run down food subsidies more quickly, that the present bread subsidy would have to be removed before the end of the summer if the Department of Prices was to keep to its smaller food subsidy budget.
But in the last few weeks the Government was considering slowing down the phasing out programme in response to TUC demands.
Bread was one of the first products to receive a Government subsidy in 1974 and the price has always been considered to have great political significance.

Trade deficit slightly up but trend is improving

BY PETER RIDDELL, ECONOMICS CORRESPONDENT
BRITAIN'S trade deficit increased slightly in June following the import of two North Sea oil rigs, but the underlying trend is improving sharply with a sharp rise in export volume to recent months.
The visible trade deficit increased by £35m. last month in £25m. and favourable trends in both exports and imports were offset by purchases of North Sea oil and gas installations valued at around £250m. (out of an estimated import total of about £350m. for the whole summer).
After taking account of an estimated £220m. surplus on invisibles, there was a current account deficit of £57m. last month for a total deficit of only £7m. in the second quarter, the best figure since the end of 1972.
This follows a deficit of £327m. in the first quarter. While comparison is slightly distorted by an erratically high import total for January and by the oil rig purchases last month, Britain appears to be heading for sustained surplus during the second half of this year.
The extent of the revision downwards of the Treasury Budget projection of a deficit of £500m. in 1977 has not yet been disclosed. But the new estimate is unlikely to be any worse than balance.
The improvement has reflected both a sharp rise in export volume—up 8 per cent. between the last two quarters—and a levelling-out in import volume—up 1 per cent. on the same basis.
The increasing production of North Sea oil has played an important part here with narrowing in the visible bill to £121m. in 1977 has not yet been disclosed. But the new estimate is unlikely to be any worse than balance.
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Three MPs' links with Poulson criticised by Commons report

BY PHILIP RAWSTORNE
MR JOHN CORDLE, Tory MP for Bournemouth East, was yesterday accused by an all-party Commons Select Committee of "contempt of the House" in the conduct of his business connections with the Poulson organisation.
The committee also criticised the conduct of Mr. Reginald Maudling, former Tory Home Secretary, and Mr. Albert Roberts, Labour MP for Normanton, who were linked with Mr. John Poulson, the architect convicted in 1974 of corruption.
Mr. Maudling was said to have been "lacking in frankness" in his statement to the Commons when he resigned as Home Secretary in 1972.
Mr. Roberts, says the report, abused his position as an MP in pursuing Poulson's interests in Malta.
The Commons is to debate the report before the summer recess when all three MPs are likely to face demands for their resignation or expulsion.
Mr. Michael Foot, Leader of the Commons, is known to be opposed to any moves for the expulsion of the MPs, however. The Government is expected to table a motion to approve the report, the equivalent of a reprimand.
All three MPs claimed yesterday that the report, which cleared them of any question of corruption, had vindicated their reputations.
Mr. Maudling, who, with Mr. Girdle, pressed for an early Commons debate, welcomed the committee's findings that he had known nothing of any bribes that might have been paid by Mr. Poulson.
He added that he "bitterly resented" the report's criticisms of other aspects of his conduct and would defend his action in the debate.
Mr. Cordle said it was "highly gratifying" to be cleared of corruption. And Mr. Roberts echoed: "I am quite happy about the result."
The committee, under Mr. Michael Stewart, former Labour Foreign Secretary, reported that Mr. Cordle had been paid £5,823 by the Poulson organisation from March, 1964, to February 1970.
In 1965, Mr. Cordle, seeking a revised agreement, had written to Mr. Poulson: "Over the past 15 months I have done what was asked of me and to the best of my ability, I shall continue with renewed vigour, knowing that I am in your hands and under your watchful eye."
The committee comments that this was "an unfortunate choice of phrase" but the arrangement might have operated acceptably if it had not been for the way in which Mr. Cordle pursued Mr. Poulson's interests in Parliament.
In 1964, he had initiated a debate on the Gambia, where he had represented Poulson, and appealed for more British aid to the colony to finance civil engineering developments.
"His motive in pressing the interests of the Gambia... was to further his own unavowed commercial interests," says the report. "He was raising a matter in Parliament for reward... and abused his membership of Parliament thereby. This conduct amounts to a contempt of the House."
Mr. Maudling, whose association with Mr. Poulson as a director and chairman of his companies began in 1966, received £27,000 in payments to a theatre trust in which his wife was interested.
His director's fees amounted to £11,375 though he returned £9,375 as a temporary loan to one of the companies.
The report says Mr. Maudling worked vigorously and not improperly to promote Mr. Poulson's interests in Malta, disclosing his business connections to those he dealt with outside Parliament.
The committee says it was concerned, however, about the fact that during this period Mr. Maudling had been a member of the House of Commons.
Continued on Back Page
Details of report Page 18

Light slowly returns to New York

BY JAY PALMER
NEW YORK, June 14
POWER SUPPLIES were slowly being restored to New York and surrounding areas to-day, following the 12-hour electricity failure last night which brought scenes of mob violence and looting, resulting in more than 2,500 arrests.
Estimates from the office of Mayor Abe Beame and New York's monopoly power supply company, Consolidated Edison, suggested that full services will not be re-established before this evening. Even then, city officials warned, with a 90-degree heatwave continuing there City companies said that they could not cope with the heavy demands of millions of air conditioners fighting the heatwave.
The power failure occurred at 9.30 last night, apparently after lightning repeatedly struck and destroyed above-ground power lines feeding the city. Con Ed this morning claimed the resultant black-out was "an act of God" and that its remaining systems could not cope with the heavy demands of millions of air conditioners fighting the heatwave.
However, Mayor Beame, in a hitting attack on Con Ed, accused the utility of "the very least gross negligence." He declared: "We have been subjected to a night of terror, the costs will be enormous, and I demand immediate searching inquiry."
Con Ed said a press conference to answer the mayor's charges would be held this afternoon. Contrary to some earlier reports, the company denied that the lightning had also struck its Indian Point nuclear power plant, located 30 miles north of New York in the same region as the 1965 incident. Clearly spurred Mayor Beame's onslaught on Con Ed to-day.
Struggling through the blackout Page 5

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LOMBARD

Not so fair for Fair Trade

BY COLIN JONES

ONE POINT which has barely been explored amid all the debate about the Government's Price Commission Bill is the impact which the Commission's new role is likely to have upon competition policy and the institutions which are charged with policing it such as the Office of Fair Trading and the Monopolies Commission.

Worthwhile

The main threat to the OFT's role lies in the Price Secretary's new power to refer to the Price Commission any price which is an entire industrial sector. If Mr. Hattersley really wants to win industry's confidence and at the same time pick out some worthwhile references he will have to select sectors of industry where competitive pressures are less strong—in other words, the very sectors which the OFT keeps under scrutiny with a view to identifying possible references to the Monopolies Commission.

again the present competition policy is likely to be given on the OFT's ground. Worse still, the OFT will be obliged by a provision in the Price Commission Bill to hand over to the Price Commission a good deal of the information it has accumulated about anti-competitive activity. This provision, it must be stressed, will not apply to competition details about individual firms which is in the OFT's possession.

Clearly, the OFT is likely to be the loser in all the jockeying which will be done in future take place between it, the Price Commission, and the Prices Department. When it was suggested early on in the preparation of the present Bill that sectoral examinations should be limited to situations not involving firms with more than a 25 per cent. market share in other words, situations outside the scope of Monopolies Commission. There was much talk in the Commons debates on the Bill about the case for inserting the two policies. Mr. Hattersley indicated that he was not averse to the idea himself but he also thought it was unlikely to happen within the lifetime of this Parliament.

Abuses

The real trouble is that price policy can only tackle the symptoms and not the causes of inadequate competition. Rather than merge prices and competition policy, it would be better to complete the scope of monopoly references by adding a turnover or asset criterion so as to provide for investigations of possible abuses of financial power (predatory pricing, cross-subsidisation etc.). The political need for a price policy is not or should not be permanent, unlike competition policy which generally manages to survive periodic encroachments into its domain.

NORTH SEA OIL REVIEW

FOR THE past two years Quadrant 16 of the North Sea has provided the offshore industry with more than its fair share of surprises. This week was no exception: an announcement was expected to appear, and a statement which was not foreshadowed did appear but in a modified form.

Behind this conundrum lie the drilling activities of the Pan Ocean and Phillips exploration groups. Phillips is using the Westward Pacesetter rig to test its 16/7 well on block 16/17 whereas Pan Ocean, now owned by Marathon Oil, is testing the eighth well on its 16/7 Brae structure.

Test results

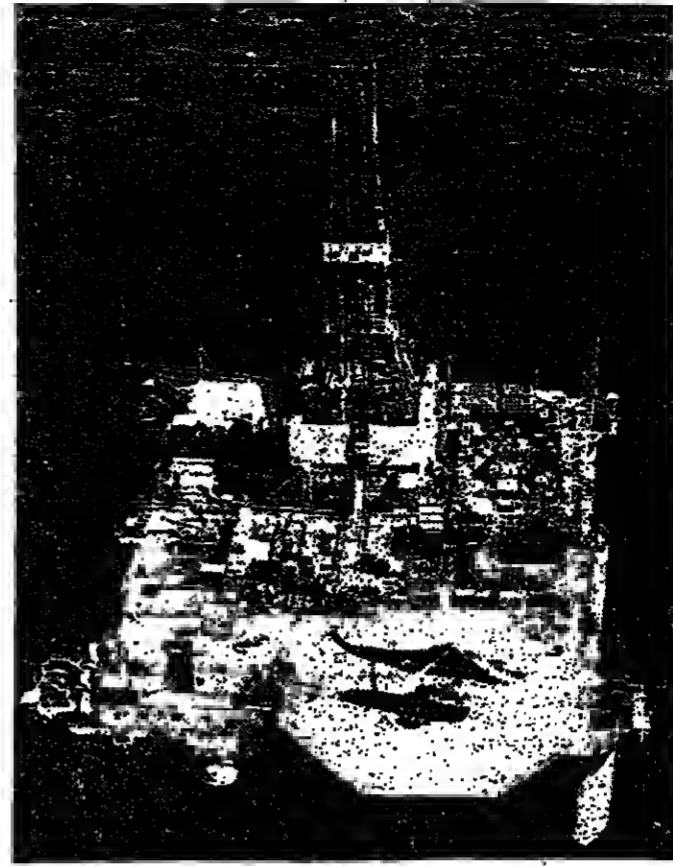
Pan Ocean has issued a great deal of information (by North Sea standards) about its latest Brae well, surprisingly considering that this testing programme is also incomplete. The well, sunk by Odin Drill, reached a total depth of 14,008 feet and penetrated a gross hydrocarbon section with 820 feet of pay-zone. Six separate intervals are being tested. The statement said that a test over a 206 feet section produced a flow of 34.5 decagrams gravity barrels a day through a one and a quarter inch choke. The gas/oil ratio was 1,202 cubic feet per barrel.

up to 5147 b/d through a three-quarter inch choke. Pan Ocean added that two more tests were planned for the remaining gross hydrocarbon section of the well which is located about 175 miles east of the Orkney Islands in 370 feet of water. Arrangements were being made to obtain a second rig to supplement drilling. It is thought that perhaps two more wells will be drilled on Brae before the group itself to a position to complete its development programme.

Refinery needs

This list might illustrate why there is so much stock market interest and speculation concerning the two blocks. But it also suggests a serious question for the future. What will all these companies do with the oil eventually produced? Only Phillips and Petrofina have their own UK refinery capacity which should, at least, help them to meet the government requirement of refining up to two-thirds of North Sea production in the U.K.

The others will have to look outside their groups for refining capacity although some, like Ashland, might hope to export a substantial proportion of crude oil to feed their own domestic refineries. However, it is likely that within the next few months some members of the Brae consortium will begin exploratory talks with Cromarty Petroleum about the possibility of processing some of the crude in the proposed refinery at Nigg. Cromarty yesterday negotiated the last major hurdle in obtaining Highland Regional Council approval for its master plan. The plan has widened the scope of the 2,000m. refinery project in Inchmahome, 12.5 miles from Nigg. It includes a crude oil terminal, a storage tank farm, and a 20m. tonnes a year, or 400,000 barrels a day of crude oil from North Sea fields. Half of this will probably be refined into



The Western Pacesetter rig is testing the Tani well on block 16/17.

propane, butane, naphtha, petrol, gas oil and fuel oil. The 200,000 b/d refinery is due to come on stream in 1980-81 which raises another question: will it be needed? The EEC Commission has suggested that refineries should be closed down rather than built; British Petroleum and Shell are among those which reckon that no new refinery will be needed before the mid-1980s.

It is also argued by those who support the need for more refinery capacity, that the industry's view about under-utilisation is exaggerated. The quoted figures are based on the "unrealistic" quoted (or "nameplate") capacity of refineries, they say. Allowing for maintenance, repairs, changes in crude oil blends, operational problems, marketing constraints and so forth, the maximum operational capacity would be nearer 120m. tonnes. They might add, as a sideswipe at the major oil groups, that existing capacity has an interest in keeping potential competitors at bay.

But the arguments, assumptions are challenged by when its own agency, the British National Oil Corporation, has pointed out that although most of the refineries were built in a pre-North Sea oil days they are still able to handle Britain's capacity and appealed for a flexible refinery policy? It will be the first unit specifically provided a balance of other, heavier oils. Secondly, the point is that it fits in with the Government's policy of refining as much of the off-head fur, according to several group and those of the region who support the need for more refinery capacity, that the industry's view about under-utilisation is exaggerated. The quoted figures are based on the "unrealistic" quoted (or "nameplate") capacity of refineries, they say. Allowing for maintenance, repairs, changes in crude oil blends, operational problems, marketing constraints and so forth, the maximum operational capacity would be nearer 120m. tonnes. They might add, as a sideswipe at the major oil groups, that existing capacity has an interest in keeping potential competitors at bay.

possible to produce at a higher rate than even the "nameplate" capacity. This was the case in the U.S. in the early 1970s.

Only time will tell who is right because each side admits that forecasting is a precarious business. What is known is that so far only Mesa Petroleum has publicly indicated that it might use the Cromarty refinery to process crude from its Moray Firth Beatrice Field.

Mesa has also been involved in planning discussions with the Highland Regional Council and by all accounts, has been having a rougher ride than Cromarty. The Council and oil companies are at loggerheads about how the field should be developed. Mesa says that the peculiar way nature of the Beatrice oil makes it desirable to use an offshore loading system. This would be less expensive, more feasible, more reliable and environmentally more compatible than a special type of pipeline which would be needed to pump the oil directly to shore. The council on the other hand favours a pipeline.

Last week Mr. Peter Clarke, managing director of Mesa U.K., met 10 members of the council, including Mr. John Robertson, chairman of the finance committee. Mr. Robertson has been the most vociferous opponent of the offshore loading scheme which he has called "bordering on the cheapjack and nasty". Both men draw on experience in the Gulf of Mexico, another shallow water oil exploration area. Some 15,000 wells have been developed in the Gulf over a 30-year period, a programme accepted as environmentally and economically successful.

Pipeline links

Mr. Robertson points out, however, that the standard pattern of development has been to connect the wells to the shore by pipeline. In developing the inner Moray Firth, Mesa would like to follow the same pattern. This example, because of its size, might set the pattern for future field development in the area, he says. In an open letter to the council, Mr. Clarke emphasised the special status of the nil. He also stressed that the additional capacity created at the Beatrice wellhead, by Mesa's development, would be a significant asset. Mesa hopes that a special impact study will be completed on July 21 and that this will take much of the heat out of the argument. But it is being increasingly likely that the Department of Energy will have to be the final arbiter in the dispute. The plan of the Mesa group and those of the region who support the need for more refinery capacity, that the industry's view about under-utilisation is exaggerated. The quoted figures are based on the "unrealistic" quoted (or "nameplate") capacity of refineries, they say. Allowing for maintenance, repairs, changes in crude oil blends, operational problems, marketing constraints and so forth, the maximum operational capacity would be nearer 120m. tonnes. They might add, as a sideswipe at the major oil groups, that existing capacity has an interest in keeping potential competitors at bay.

Table with 2 columns: Time and Programme Name. Includes items like '10.46 Bette Davis in Now Voyager', '11.45-12.15 p.m. Open University', etc.

Crossword puzzle grid with 13 clues provided. Clues include: '1 Gamble about less civilised people creating confusion (12)', '6 Is French work to be precluded in court? (5)', etc.

Table with 2 columns: Time and Programme Name. Includes items like 'Spotlight South West (Plymouth)', 'All FIN regions as London except at the following times', etc.

Table with 2 columns: Time and Programme Name. Includes items like '9.30 a.m. Summer School', '10.15 Certain Women', '11.05 The Supervisors', etc.

Table with 2 columns: Time and Programme Name. Includes items like 'MTV Coverage/Wales as RTV General Service', 'SCOTTISH', 'SOUTHERN', etc.

Table with 2 columns: Time and Programme Name. Includes items like 'POLISH Jockey Club director Leszek Gajdzowski', 'NEWBURY', 'RACING', etc.

Table with 2 columns: Time and Programme Name. Includes items like '5.00 Nationalwide Inter-City', '5.20 The Water Margin', '5.35 The Duchess of Duke Street', etc.

Table with 2 columns: Time and Programme Name. Includes items like '5.00 Friends of Man', '5.15 Supper', '5.30 The Cat in the Hat', etc.

Table with 2 columns: Time and Programme Name. Includes items like '6.00 a.m. Summer School', '6.15 Certain Women', '6.45 The Supervisors', etc.

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Large advertisement for 'Ivory bust fetches £40,000' by Dominic Wigan. The ad describes a 17th-century French marble bust of a woman, sold at a Sotheby's auction for a record price. It also mentions other items for sale, such as a 16th-century Venetian cabinet and a 17th-century Spanish walnut table.

سكرا من اللؤلؤ

Round House

Ballet Rambert by CLEMENT CRISP

The Smiling Immortal of Norman Morrice's new ballet is Aphrodite, impersonated in this second Rambert programme by the nobly beautiful Lucy Barge.



Smiling Immortal: Zoltan Imre and Lucy Barge in flight with John Chesworth

The mood of the piece is mysterious, sustained by a strong score from Jonathan Harvey and it is a cold eye upon love as destructive rather than vivifier.

He makes much use of a favoured device of choreographic canon and repetition in sequence. The men are seen in slow, richly muscular movement, the women in lighter fresher dances, and the work has an agreeable if somewhat reclining character.

Pasolini as Puritan

by NIGEL ANDREWS

compton Cinema Club to Walk (K) and Two and Screen on Islington Green

and fanciful desires. The company's appetite is whetted each evening by naughty stories told them by one of three female raconteurs, and their lust is channelled into any and every form of deviant sex from sodomy to the eating of faces.

As a piece of cinema The Best Way To Walk has none of the brooding greatness that hovers

The Entertainment Guide is on Page 34



A scene from 'Solo'

Solo, or The 180 work of "integrity". That is, that it is based work of wholeness in which no scene is tacked on or yanked in merely to titillate or scandalise.

Shakespeare Theatre Henry VI Part II by B. A. YOUNG

Henry VI Part II begins to acquire more individuality. Avaricious Gloucester, whom Graham Crowden plays with great sympathy, has now become irascible with age.

Morley College Lortzing & Martinu

Abbey Opera's enterprising double-bill, given the first of the Hammersmith Symphony radio, first staged in 1951 three performances on Wednesday in the Emma Cons Hall at Morley College, consists of works by Lortzing and Martinu.

New End Are you now or have you ever been...

ERIC BENTLEY'S documentary three television screens monitoring the onstage red-neck cross-examination of luminaries like Larry Parks, Abe Burrows, Paul Robeson and Arthur Miller, but no differentiation is achieved by director Anton Rodgers between the impact of these scenes and Watergate can ever eradicate the astonishing performance in the main left on the collective American consciousness by the Standers. As Stander, Hal Galili brilliantly outsmarts the Communist or a genuine dupe?

Dutch imports: Dfl. 88,060 million. Dutch exports: Dfl. 87,140 million.



For a fresh look at business in Holland use the inside bank: NMB Bank. Holland's prosperity proves to be a fertile soil for any kind of business. Just a glance at Dutch trade shows that it is considerably more important than it sounds.

New York goggles ough kout

PALMER
NEW YORK, July 14. Lightning in Rock-
y, some 30 miles
Manhattan, plunged
city's 8m. inhabitants
darkness for all of last
second such black-out
Within moments of
and air conditioners
cars began to
shivers waiting to
emergency calls
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The famous silhouette, more stark than usual, with only a few buildings retaining their customary blaze by emergency power.

the same time, the
d its grimmer side.
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ember, 1963, which
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and vandals
onanza this time.
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and Manhattan's
osh East Side die-
e almost war zones.
ces, mobs of looters
down shop grilles,
adows and stripped
ything portable. In
instance, organised
ing as power began
d to the city after
more than 26 hours
Mayor Abraham
on radio to urge
remain closed and
ay at home. "The
gency declared last
rned, "is still in
National Guard
power could all to easily
to-night, the big ques-
ion why the black-out
happened and how
it can possibly be pre-
vented from re-occur-
ing. Coned has pub-
lished the promised an
exhaustive study in-

New York Stock Exchange, said
that they would not open today.
Large office block companies,
including Rockefeller Centre,
said that they expected to remain
shut while State authorities
ordered the city's commercial
banks not to open for business.
In the same radio message,
Mayor Beane launched a bitter
attack on Consolidated Edison,
the city's electric utility com-
pany. "They promised in 1965
that it could never happen
again," he said. "They will
have to explain to me and the
people of New York why we all
spent the night in darkness."
A spokesman for Coned this
morning called the black-out
"an act of god." Stressing that
the lightning bolt did not fall
on the utility's nuclear power
plant in Rockland County, he
added that the destruction of
power feeder lines caused a swift
chain reaction of power failures
and could not have been antici-
pated. "The New York State
power-sharing system was just
not enough to carry the load put
on us by millions of air condi-
tioners trying to battle the city's
heat-wave," he said.
As New York City recovers
amid the very real threat that
power could all to easily go again
to-night, the big question is why
the black-out happened and how
it can possibly be prevented from
while a number of re-occurring. Coned has pub-
lished the promised an
exhaustive study in-

to the disaster. In the same vein,
the emerging hero of last night
now appears to be the New York
telephone company which kept
phones throughout the city work-
ing all night in service 45,000
emergency calls.
On the streets of New York
this morning, where temperat-
ures are again forecast to rise to
the high 80s by noon, few shops
are open. Crowds are gathering
with lights going to act as a vis-
ible deterrent while exhausted
foot patrolmen, many of whom
have now been on duty for
broken windows. Strangers are
nearly 20 hours, sit on curbside
benefits "supervising" civilian
stopping strangers to tell anecd-
otes of the last black-out or
volunteers directing traffic.

hear new tales of what happened
to a friend of a friend during
last night's long dark hour.
With occasional daylight loo-
ing still being reported this
morning, the police are continu-
ing to mount special guard an-
guard broken windows and
the banks and the drugstores—
the latter to prevent narcotic
thefts. But, for the most part,
police cars are just patrolling
East Harlem is just demolished."
A spokesman for the police
department this morning con-
firmed that well over 2,000
streets were made last night with
the help of state police ordered
into the city by New York state
Governor Hugh Carey. The

"They were animals, just wild
animals," one haggard and un-
shaven police officer told me.
"Nothing could stop them. They
increased all warnings and even
pushed past our men trying to
guard broken windows and
walked out with stolen goods.
We did our best but it was just
not enough. Third Avenue in
East Harlem is just demolished."
Even the buses, which kept
running throughout the night,
threatened to become scarce as
fuel tanks ran out and cannot
be refuelled.

Tombs prison, closed some years
ago because of over-crowding,
was re-opened to hold prisoners
overnight.
This morning New York is a
quiet city. Traffic is exceptionally
light partly because of the
Mayor's plea but even more
because of the way garage lifts
are stuck and because the tun-
nels across Manhattan's two
rivers are closed due to lack of
electricity to power ventilation.
Even the buses, which kept
running throughout the night,
threatened to become scarce as
fuel tanks ran out and cannot
be refuelled.

Carter bid to avert clash with N. Korea over air trespass

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, July 14.

PRESIDENT CARTER, seeking
to avoid a direct confrontation
with the Government of North
Korea, has acknowledged that
the U.S. helicopter shot down
north of the demilitarised zone
by North Korean gunfire had
committed a navigational mis-
take.
President Carter said: "We're
trying to let the Koreans know
that a mistake was made by our
crew and not let the incident
escalate into a confrontation."
David Housego adds: The heli-
copter crew are part of the
41,000 American troops stationed
in South Korea under the
mutual defence agreement signed
in 1953.

The President said the heli-
copter crew (three of whom were
killed and the fourth believed
captured) lost its bearings on a
routine transport mission in the
construction site of a United
Nations observation post in
mountainous terrain just south
of the DMZ.

South Korean troops are said
to have fired at the helicopter to
warn it that it was straying into
North Korean territory; the heli-
copter then landed inside North
Korea to inspect for damages.
It took off again and was then
brought down by North Korean
guns. There may have been an
exchange of fire between the
American airmen and the North
Koreans before the crash.
The U.S. officials said today
the helicopter was unarmed (its
crew may have carried pistols or
rifles).

The U.S. proposed an immedi-
ate meeting in Panmunjon with
North Korean officials. The
North Koreans have offered to meet on
Saturday afternoon, and the U.S.
is apparently still trying to bring
the session forward.

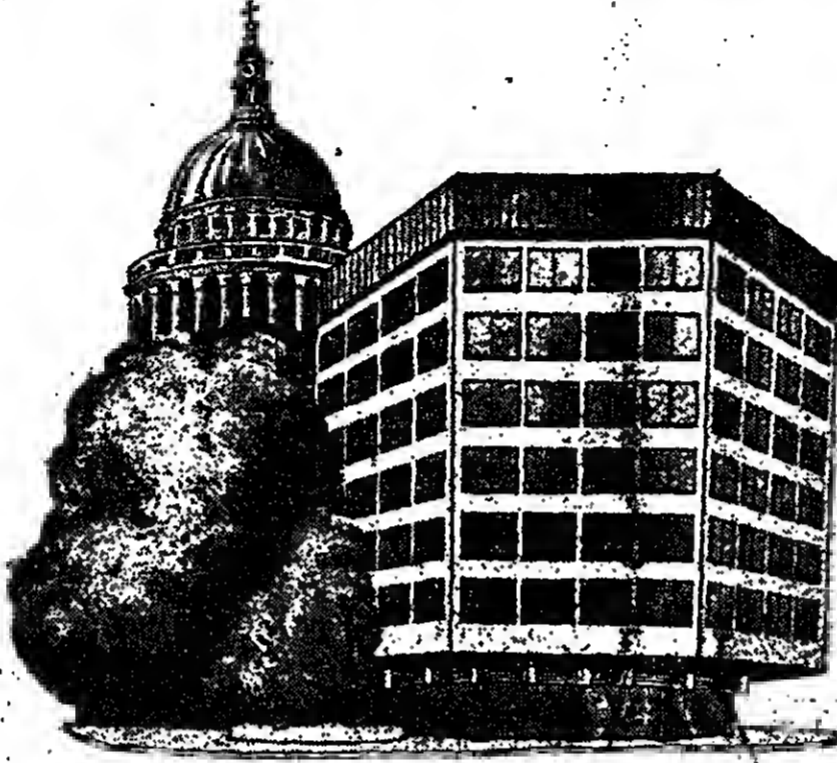
cuts provoke riots

O'SHAUGHNESSY
D riots, in which 10
cent and 50 per cent in the
sored to have been
ocked a number of
es in response to
programme decreed
ry government of
to Morales Ber-

Following widespread public
protest and divided opinions in
government circles, Sr. Walter
Piazza, the newly-appointed
Economy Minister responsible
for the belt-tightening scheme,
resigned.
In an effort to placate the crit-
ics of its scheme to cut govern-
ment subsidies on staple foods,
on Tuesday the government re-
duced the price of bread by al-
most 10 per cent and the price
of pasta by some 15 per cent.
The position of the govern-
ment has been made no easier
by the decision of Roman Cath-
olic bishops in four dioceses in
the south of the country—Cuzco,
Puno, Ayavivi and Sicuani—to
attack the austerity plan fore-
fully.
According to the bishops the
Argentine plan "unloads the weight of
the crisis onto the shoulders of the
poorer sections of society,
and it has made a chronically
violent situation "insupportable."
The measures decreed by Sr.
Piazza have also been attacked
by the Revolutionary Socialist
Party (RSP), a group set up last
year by four generals who were
influential in the first years of
the military Government which
came to power in 1963. The RSP
has welcomed the departure of
Sr. Piazza and has called for the
complete revocation of his plan.

Weeks missing spy

IN CORRESPONDENT WASHINGTON, July 14.
A tale of a CIA was unhappy with Mr. Shad-
rinn's mission.
Washington Post
Journalist this
agent minus. President Ford and Dr.
senior levels of
and Carter
n their dealings
Junio.
question is Mr.
know, who dis-
S. via Sweden,
oviet naval com-
1966, under his
Nicholas G.
U.S. citizen.
working as
nder the direc-
lliance.
appeared in
making pro-
with two KGB
over the USSR in 1960.
ng to the two
At one stage, Herr Vogel
ry, which differ
expressed interest in
in essence, Mr. Shadrin for Herr
controlled by
feeding KGB
East German spy who worked for
a presumably
Herr Willy Brandt, the West Ger-
intelligence.
man Chancellor, and the
faced because
exposure of whom as a spy
fish-born wife,
helped bring about the resigna-
tion of Herr Brandt. But accord-
ing to the reports, the U.S.
diplomatic chan-
nel considered Herr Guillaume too
dangerous to
hand. She had
high a price to pay.
The Carter Administration is
insisting that it is still pressing
the case on the assumption that
Mr. Shadrin is still alive. Mr.
Zbigniew Brzezinski, the White
House security adviser, has com-
municated with Mrs. Shadrin.
But another possibility
remains, hinted at by the
surveillance Washington Post writer. Perhaps
not conducted. Mr. Shadrin was really con-
trolled, not by the U.S. but by
the Russians.



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floor devoted exclusively to keeping corporate customers abreast of
developments.
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standards (if you give the best service, you've got the best bank).
And it works.
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in making markets in all major trading currencies.
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prestigious 'The Times One Thousand' are our customers.
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ARGENTINA, AUSTRALIA, BAHAMAS, BOLIVIA, BRAZIL, CHANNEL ISLANDS, COSTA RICA, DOMINICAN REPUBLIC, FRANCE, GERMANY, HAWAII, HONG KONG, ITALY, JAPAN, LEBANON, LUXEMBOURG, MEXICO, PANAMA, SINGAPORE, SPAIN, U.K., U.S.A., URUGUAY, VENEZUELA.

Bank reduces
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ate cut by 0.5%

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OVERSEAS NEWS

Blow to Hanoi as drought undercuts reconstruction

BY DAVID HOUSEGO, ASIA CORRESPONDENT

VIETNAM has suffered a major economic setback from the drought that has also badly damaged crops in southern China. The production, which was expected to increase by 14 per cent this year to 13.7m tonnes, is instead likely to decline unless the summer/autumn crop can be salvaged by the intensive replanting and irrigation schemes now underway.

In Hanoi itself the standard ration of 18 kg of rice a month for adults has been halved with the remainder made up of other staple foodstuffs. Electricity cuts have been extended so that power can be diverted to pumping water for irrigation in the countryside. Factories making irrigation equipment. Rations in the south have also been reduced, producing a burgeoning black market. Food shortages are probably behind the continuing exodus of refugees. The ration cuts have been most severe amongst the 4.5m people of the central provinces.

U.K. pledges £144m. to India

BY K. K. SHARMA

BRITAIN has pledged £144m. in aid grants to India this year, a sharp rise from last year's \$92m. Both governments have begun discussions on faster utilisation of the aid and on ways to fit it into the pattern of development projects that can be financed by India. Announcing this today, Mr. Secretary of State, announced two days of talks with Indian ministers. Mrs. Judith Hart, Britain's Minister for Overseas Development, told a Press conference the emphasis will be on projects that can be financed by India in advance to permit "forward planning" by both countries.

NEW DIRECTIONS IN GHANAIAN POLITICS

Another cloudy dawn

BY MARTIN DICKSON

FALSE DAWNS with unfulfilled hopes of political and economic stability have broken too often over Ghana during 29 troubled years of independence for its people to get too far from their disillusioned professional, trade union, and the police and army. There appeared to be no plans for general elections. Political parties, which the regime said had encouraged "tribalism, rivalry and corruption" were ruled out. From the start, therefore, the regime met with considerable suspicion that Gen. Acheampong had no real intention of relinquishing power.

What do the General's latest promises amount to? He said that the committee on union government would submit its report within three months. A referendum would be held six months thereafter to decide whether the form of administration the people wanted, be it union government or any other form. A constituent assembly would then draft a constitution based on the people's wishes, elections would be held and a transfer of power effected. The major changes are that the regime has now abandoned its firm commitment to union government and admitted that the military may have no role to play in the administration. "It is a matter entirely for the people to decide whether the army and police should be included or left out of any future Government," the General said.

Violence breaks out after New Guinea poll

By Colleen Ryan

PORT Moresby, July 14. VIOLENCE broke out in the Papua New Guinea highlands yesterday as supporters of defeated candidates in this month's national election claimed that malpractices had rendered the ballot invalid. Police said that over 2000 people were involved in rioting at Milne Bay. In Enga province, where one person has been killed and a Government officer assaulted. Laigam is in the constituency where former Minister for State, Mr. Waitea Magolios was defeated in the elections, won by the ruling Pango People's Progress Party coalition. At Kamali, in Chimbu province, home of defeated the Education Minister, Mr. Kogale Kale, 14 people have been arrested and schools closed after a group of young men, disarmed, had attacked the Government sub-district office.

Saudi princes in power struggle

By Ihsan Hajar

BEIRUT, July 14. THE resignation of one Saudi Prince and the promotion of two others within the space of one week are seen by informed diplomatic sources as part of the jockeying for power in the Kingdom. On July 7 an official announcement said King Khalid had accepted the resignation of Prince Mohammed bin Faisal, one of seven sons of the late King Faisal, head of the Saudi Authority for Water Desalination. A few days later an equally short communiqué said Prince Ahmed bin Abdul Aziz, Deputy Minister of the Interior, and Prince Faisal bin Fahd, chief of youth welfare, who is a son of the present monarch, have been promoted to the rank of Ministers. "In recognition of their efforts in serving the people and the nation."

ON OTHER PAGES

International Company... German Ford profits... Austrian insurance... Farming and Raw Materials... U.S. soyabean crop forecast... Malaysian palm oil supplies assured.

WORLD TRADE NEWS

TURKEY'S ECONOMIC PROBLEMS The price of weak government

BY METIN MUNIK IN ANKARA

"IT IS very sad to see Turkey in its present state—with depleted foreign currency reserves, bottle-necked exports, planned investments unable to continue, allowing inflation, unable to get new credits because it cannot pay back its short-term credits, unable to import because it cannot pay cash. This bleak assessment comes from the Chief of the Ministry of Trade in Mr. Bulent Ecevit's caretaker Government. It sums up Turkey's dire economic straits which coincide with an equally depressing political situation. It is clear that this situation will soon give birth to new difficulties," says Mr. Muzaffer, who advocates an "economic repair programme." Whether such a programme can be adopted and implemented depends on the political situation. Mr. Ecevit, whose Social Democratic Republican Party emerged with the largest number of seats from last month's general election, lost a National Assembly vote of confidence and resigned, although it was widely felt that he could have come to grips with the Government under a mandate. The triumvirate right-wing Alliance, which defeated Mr. Ecevit is forming a coalition Government under Mr. Süleyman Demirel, the right-wing former Prime Minister. This will rule Turkey for about 30 months before the election—a failure in almost every sense of the word.

A worrying time for U.K. exporters

BY CHRISTINE MOIR

TURKEY'S CONTINUING balance of payments and foreign currency reserves problems may mean the U.K. Government will have to pay out upwards of £20m. on claims made by British exporters under the Export Credits Guarantee Scheme. Bills worth as much as £200m. are already outstanding and British manufacturers are cancelling production on new orders from Turkey. "Consideration is deepening amongst British exporters to Turkey as the political uncertainty continues. Except for those whose exports are classified as essential or strategic goods, few have received any payments from Turkey since February 21. According to some estimates the outstanding bills may total as much as £200m., despite the sharp drop in imports from Britain since March. Problems arise for U.K. companies over that the British Government has cancelled all existing ECGD credit guarantees to Turkey and has asked companies to re-apply for new credits. Furthermore, it has made clear that these will only be available if an alternative financing system is established to cover the moratorium which will cover virtually all export contracts. The moratorium was originally imposed during the period leading up to last month's general election but was intended to end as soon as the new Government was in office. However, the collapse of the Ecevit Government and the fragility of the new coalition has meant a further extension of the moratorium. Manufacturers are now being urged to delay their new orders until the moratorium has been lifted. As a result many have already stopped production on orders placed by Turkish customers. It is believed, for instance, that over 700,000 worth of electrical generating sets have been held up to this day already. More than a million orders have already been cancelled. Other companies with long production pipelines are still processing Turkish orders but new ones are being closely scrutinised with a view to cancellation. The major British exports to Turkey fall within the engineering and capital goods fields. They include diesel engines and parts, trucks and heavy vehicles, machinery, tools, tractors and other farm equipment, and arithmometric equipment. One major exporter is Messrs. Ferguson which normally exports between 8,000 and 10,000 tractors, usually in knock down kit form to Turkey each year. The company does not think it is suffering much from the hold-up of payments. Its products are fairly high up on the essential goods list, so some orders have been dribbling through. Other smaller companies may not be in such a fortunate position. So far no company has reported financial difficulties over the non-payment of Turkish bills, though there have been several cases who have voiced some concern over the need to cancel orders. There is also the added fact that many exporters have not been applied for ECGD cover. The Department will not reveal the value of the policies it had where they do they find to be accepted before the moratorium markets?

India angry over EEC quotas Fiesta to be marketed in Japan

By K. K. Sharma

NEW DELHI, July 14. COMMERCE MINISTRY sources have reacted sharply to reports that the European Economic Community has clamped down on imports of cotton yarn and garments from nine developing countries, including India. Calling this a "retrograde step," the sources say the move will adversely affect Third World countries and increase unemployment there. The action has been called "discriminatory" and "intensive exports. Sources say the Government intends to protest strongly, as the Common Market has short-terminated the Multi-Fibre Agreement (MFA). It has been pointed out the Community does not confine its textile restrictions to developing nations. A sizeable quantity comes from other sources, a fact that has been ignored while imposing the new restrictions. Commerce Ministry sources point out the European restrictions have come at a time when the U.S. has lifted restrictions and when quotas were still under discussion.

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FORD OF EUROPE is making a bid to bid into the Japanese small car market, which has been traditionally unresponsive to European vehicles, with its new Fiesta model. Reports from Japan yesterday suggested that the importers are aiming at sales of about 1,750 Fiestas in the first year, although this figure was not confirmed by Ford. It is not clear either where the vehicles will be supplied from, although they are likely to come from Germany, where the larger-engined 1.6-litre Fiesta is being made for the U.S. market, or from Spain. The Fiesta is in such short supply in the U.K. that Ford would be unable to supply Japan from its Dagenham plant. The Ford cars are being marketed in Japan by the Honda International Sales Company (Hisco), which has had a distribution agreement with Ford since 1975. Hisco is a wholly-owned subsidiary of Honda Motor end has been selling Ford Mustangs, Bobcats and Monarchs for some time at the rate of about 3,000 units a year since it was established into the Japanese market. Ford has also been gradually building up its sales of European-made Corolinas in Japan through Hisco. This year the U.K. company will be shipping about 700 Corolinas and exporting small cars, and it is aiming at sales of between 200 and 250 vehicles a month. The decision to seek outlets for the Fiesta as well as the luxury car sector.

Swiss-Iran plan large scale joint projects

BY JOHN WICKS

ZURICH, July 14. SWITZERLAND and Iran may co-operate in a number of large-scale industrial ventures, including plants in the petrochemical, machine-building and foundry industries. These projects are in an "advanced planning stage," it was stated in Bern in connection with the visit to Tehran this week of a Swiss delegation led by Mr. Ernst Brugger, Minister for Economic Affairs. An spokesman for Minister Brugger today told the Financial Times that no specific value could be put on the projects in question. The spokesman said there were no grounds for agency reports that a petrochemical complex would cost \$5bn. Following his talks with Mr. Ahmad Reza Farhangfar, Mr. Brugger signed a written agreement strengthening Swiss-Iranian economic co-operation. This agreement makes particular mention of the machine-building, electrical engineering and chemical



he

HOME NEWS

Reynolds quits Spar Holdings

MR. MICHAEL REYNOLDS, one of grocery retailing's most brilliant personalities, has resigned as managing director of Spar Food Holdings, Britain's largest voluntary group of grocers.



MICHAEL REYNOLDS

"Like a Catholic marriage"

His resignation apparently follows a long-simmering disagreement over how the business should be run between Mr. Reynolds and Mr. David Linnell, the chairman of Spar and representative on the Board of Linfoods, the largest component wholesaler.

Mr. Reynolds has done much to put the group on the map. He has increased its profits every year, and believed that it was the managing director's job to see this happened. Mr. Linnell apparently saw the job of managing director of a voluntary group as being nearer that of a marketing director in an ordinary company.

Speculation About how the group's turnover goes through Linfoods, whose managing director recently took over as chairman of Spar Holdings.

He said last night that Mr. Reynolds had made a major contribution to building up Spar, particularly by developing the group's range of own brand products.

Chubb and Diebold ordered to compete

TWO OF the world's largest manufacturers of bank security equipment—Chubb and Son of the U.K. and Diebold of the U.S.—have been ordered by the U.S. Justice Department to compete with each other in their respective home markets.

Chubb said yesterday that the issue had been satisfactorily resolved. However, Mr. William Randall, the company's managing director, expressed considerable annoyance at the consequences of the action.

Consent decrees have been filed in the U.S. district court in Akron, Ohio, aimed at preventing Chubb and Diebold from making agreements to restrict sales.

He said the Justice Department had originally demanded that U.S. officials come over to Britain from time to time to inspect Chubb's books. The company had vigorously opposed this move.

Account day switch

ACCOUNT DAY for the settlement of Stock Exchange share deals will be shifted back one day from Tuesday to Monday when the new Talisman computerised settlement system comes into force in 1978.

It appears the advantages of the computer continuing to process deals over the week-end for settlement, on Monday, outweighed fears that the altered timetable might affect the speed with which clients redeployed the proceeds of share sales.

Bread industry is cleared by Monopolies Commission

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE BREAD industry was given a clean bill of health yesterday by the Monopolies Commission which said that Government intervention, and not abuse of power by the big three companies, has led to low profits.

U.K. market for either flour or bread. Associated British Foods, Ranks Hovis McDougall and Spillers together accounted for about 80 per cent of the bread market and about 80 per cent of flour sales.

SUMMARY OF RETURN ON CAPITAL EMPLOYED - FLOUR MILLING AND BREAD BAKING. Table with columns for 1971, 1972, 1973, 1974, and per cent 1975. Rows include Historic costs basis, RHM, and SPILLERS.

Trade deficit down by £301m.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE VISIBLE trade deficit narrowed by £301m. to £667m. between the first and second quarters, with £121m. of the improvement coming from the oil account.

reflected in a 64 per cent rise in crude oil exports in the second quarter, the June figure of £122m. is more than twice the total for the whole of last year.

Money aggregates up sharply

THE U.K. monetary aggregates rose rather more rapidly last month, though the £77m. seasonally adjusted domestic credit expansion was partly offset by an outflow of funds.

figures for the first two months are generally still in line with the targets for the current financial year.

GROWTH OF THE MONETARY AGGREGATES (£m.). Table with columns for Money stock M1, Money stock M3, Bank lending, and Domestic credit expansion. Rows show monthly data from June 1976 to Dec 1976.

Engineers face problems, but outlook better

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE ECONOMIC position of the engineering industry is improving slowly and prospects for recovery are brighter than any time during the last year, according to the Engineering Employers' Federation.

Output rises Dealing with employment productivity, the federation says that there are no signs of reversal in the long-term trend away from employment in manufacturing industry.

Average tar yield of cigarettes drops 12 per cent

BY DAVID FISHLICK, SCIENCE EDITOR

THE MEAN tar yield of cigarettes on sale in the U.K. fell by about 12 per cent over the first four years of the Government's "tobacco tabs".

Miller to head new steering committee

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

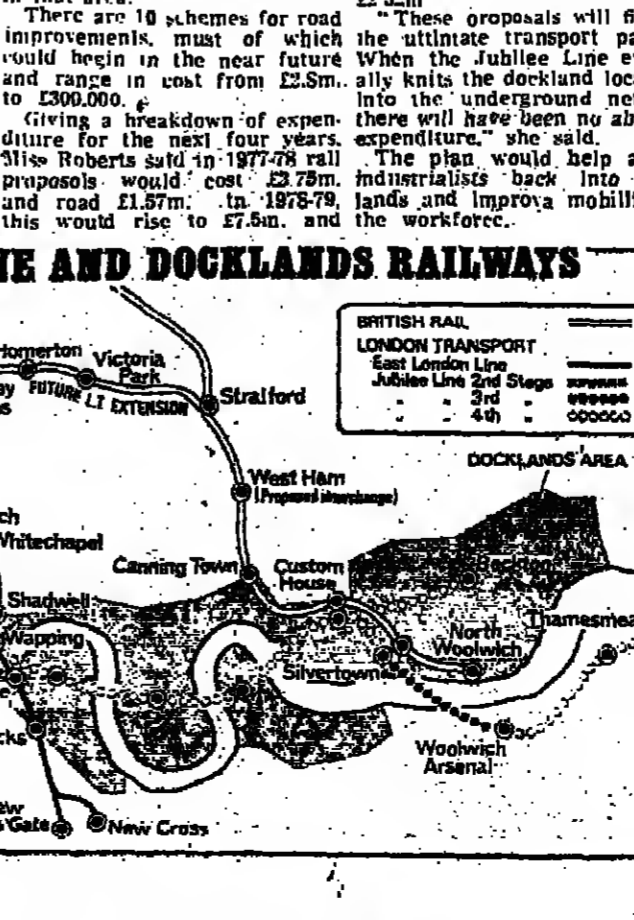
DR. KENNETH MILLER, managing director of APV, has been appointed chairman of the steering committee for the Manufacturing Advisory Service which is being set up to help small and medium-sized manufacturing companies.

Entertainments Cont. THEATRES: WINOMILL THEATRE, THE SPOTLIGHT OF THE MODERN AGE, THE WORLD'S GREATEST SPECTACULAR. CINEMAS: ABC 1 and 2, SHANNON, THE STRAY WHO LOVES ME, THE STRAY WHO LOVES ME.

£55m. transport plan unveiled

BY STUART ALEXANDER

A TUNNEL 1.1 miles long is to be built under the Thames as part of a £55m. interim scheme to improve transport links in London's dockland.



Newspaper closes

THE WELLINGBOROUGH Echo, one of three newspapers at the centre of the recent month strike by journalists, closed on Wednesday.

New cheque limit only within British Isles

THE INCREASE in the limit on bank cheque guarantee cards from £50 to £500, first announced on Wednesday, will apply only within Great Britain and Ireland, it was said yesterday.

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There are times when you need a little extra per gallon.



The difference between a car with good ordinary economy and one with extra ordinary economy is often no more than a mile or so per gallon. But then a mile can be a long way with a petrol can.

The Marina is a car that gives you an extra mile or two for every gallon of petrol you buy. And when you think how much you buy in a year it adds up to a lot of miles.

Marina achieves this extra mileage through good design - a clean, stylish, efficient shape; and good

engineering - an efficient power-to-weight relationship.

Just how efficient Marina's fuel economy is, can be seen from the 1977 Total Economy Drive; the Marina 1.8 achieved 40.69 m.p.g. Top of the class.

In Drive's Cost of Motoring Index* both the 1.3 and 1.8 Marina look quite irresistible on a cost per mile basis. (The AA's "Drive" Magazine July/August 1977).

A little extra effort from every gallon. Another little extra you get as standard from Marina.

The extra ordinary Marina.



 **Morris Marina** 
From Leyland Cars. With Supercovers.

Car featured Marina 1.3 Super 2-door £2383.29. Marina prices from £2267.46 including car tax, VAT and front seat-belts. Delivery and number plates extra. *Including servicing, repairs, insurance, fuel, oil excludes depreciation.

Engineers
problems,
outlook be
BY BENNETH GOODING

Average tar
of cigarette
drops 12 per
BY DAVID

Miller to be
steering com
BY BENNETH GOODING

New cheque
within British
BY MICHAEL

HOME NEWS

Steelwork exports show recovery signs

EXPORTS BY constructional steelwork companies are recovering after the decline in the early 1970s—when production was diverted to satisfy home demand—according to the British Constructional Steelwork Association...

Production in 1973 was about 1m. tonnes, and in 1976 650,000 tonnes. Despite this, however, "capital expenditure is higher than in other industrial sectors."

Mr. John Hackett, the deputy director, said that with the current reduced demand in the home market, which the association did not expect to exceed 90 per cent. of the 1973 figure for five years, companies were again turning their attention to exports...

Only £1.5m. aid sought by mineral explorers

BY PAUL CHEESEBRIGHT

MINING COMPANIES have been slow to seek Government support for mineral exploration projects. Of £200m. available for assistance, only £1.5m. was allocated between February 1972 and March this year...

The Department's fifth annual report on the workings of the Mineral Exploration and Investment Grants Act, 1972, discloses that eight companies applied for aid on 15 exploration projects seeking a total of £288,154, to 1976-77.

The Act permits the Government to provide aid for mineral exploration within Britain and on the U.K. continental shelf. Companies may seek up to 35 per cent. of costs up to the point where they make a decision on exploitation.

Since it came into force applications for £1.7m. of assistance have been made by 38 companies involved in exploration in 138 areas...

Government urged to clarify oil role in transport plans

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE GOVERNMENT should make a public statement on how long it expects oil to be available for use in motor transport in order to clarify the position for transport planners...

Mr. Colin Buchanan, the deputy director, said that with the current reduced demand in the home market, which the association did not expect to exceed 90 per cent. of the 1973 figure for five years...

Mr. Tony Humphries, chairman of Brailthwaite and Co. Engineers, who was re-elected president for a third year...

Production in 1973 was about 1m. tonnes, and in 1976 650,000 tonnes. Despite this, however, "capital expenditure is higher than in other industrial sectors."

Airport growth expected to rise

By Michael Dorn, Aerospace Correspondent

THE NUMBER of air passengers using the seven airports owned by the British Airports Authority, and the municipally owned Luton Airport...

The forecast by the authority goes well beyond that of the aviation industry which is climbing out of the recession which began in 1974-75.

Mr. Don Turner, the authority's planning director, says the forecasts are in line with estimates of traffic growth at other major Western European airports...

British Steel signs £12m. Venezuela deal

BY ROY HODSON

A MANAGEMENT contract which will be worth about £12m. to the British Steel Corporation has been signed with Venezuela for planning and technical direction in building a \$800m. steel-works.

Mr. Callaghan, the Prime Minister, has personally been following the progress of British Steel's bid for the contract...

The relationship with the Venezuelans may be extended to British steelworks plant makers securing all or part of the equipment and construction work...

Meanwhile, the latest steel industry production figures for the public and private sectors in Britain show that trade is still in the doldrums.

June steel output showed no change from the May figure of 389,000 tonnes a week. That was 10 per cent. below the level of June last year.

Production for the first half of this year averaged 407,000 tonnes a week, 5 per cent. below the level for the same period a year ago.

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Jobless 'to grow despite recovery'

By Michael Dixon, Education Correspondent

GOVERNMENT PLANS counter youth unemployment being used to distract attention from the problem that general unemployment is likely to grow regardless of economic recovery...

Unless economic growth reaches an improbable 5 per cent. a year, general unemployment seems bound to be even greater than the one which urges more remedies such as work-share schemes...

The report criticises the power Services Committee author of the youth unemployment report for failing to make clear statements of the problem in its recent discussion document: on long-term power policy.

Youth unemployment was separate. It was symptomatic of the general unemployment problem.

If the economy recovered general problem would be remedied by sharing work more people — short normal working hours, lending holidays, bringing in retirement and over-time.

Reclamation "But because people unlikely to accept the leisure if it means a decrease in living standards, sharing measures needed considered urgently as the economy began to recover they could be introduced accompanied with a 5 per cent. increase in living standards."

If the economy recovered, the society adds, a unemployment would grow severe unless tackled by creation of labour-intensive jobs subject to underdevelopment areas. Examples were reclamation, afforestation, road construction.

Another remedy would removal of restraints development of small business. But the society sees redundancy legislation obstacle to the development small business, and also sharing by cutting over-time.

It might be necessary template a different redundancy protection entirely on financial health and which was final lines of insurance, the said.

Norwest Holst 'entitled to natural justice'—QC

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

NORWEST HOLST, the civil engineering company, was entitled to receive natural justice from the Department of Trade when it was considering whether to proceed with the acquisition of a company's business...

Mr. Stanley Brodie QC, for Norwest Holst, submitted that the Department should not have refused to disclose to the company the reasons for its decision to set up the investigation, and the evidence on which it acted...

Comprehensives 'neglect academically bright'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MANY comprehensive schools are neglecting the interests of academically bright children, according to Dr. Harry Judge, a former comprehensive head-master and director of the Department of Educational Studies at Oxford.

He told the conference of the Council for Local Education Authorities in Brighton yesterday that it was "frightening" to contrast the treatment of the grammar and public schools with that which was happening in the comprehensives.

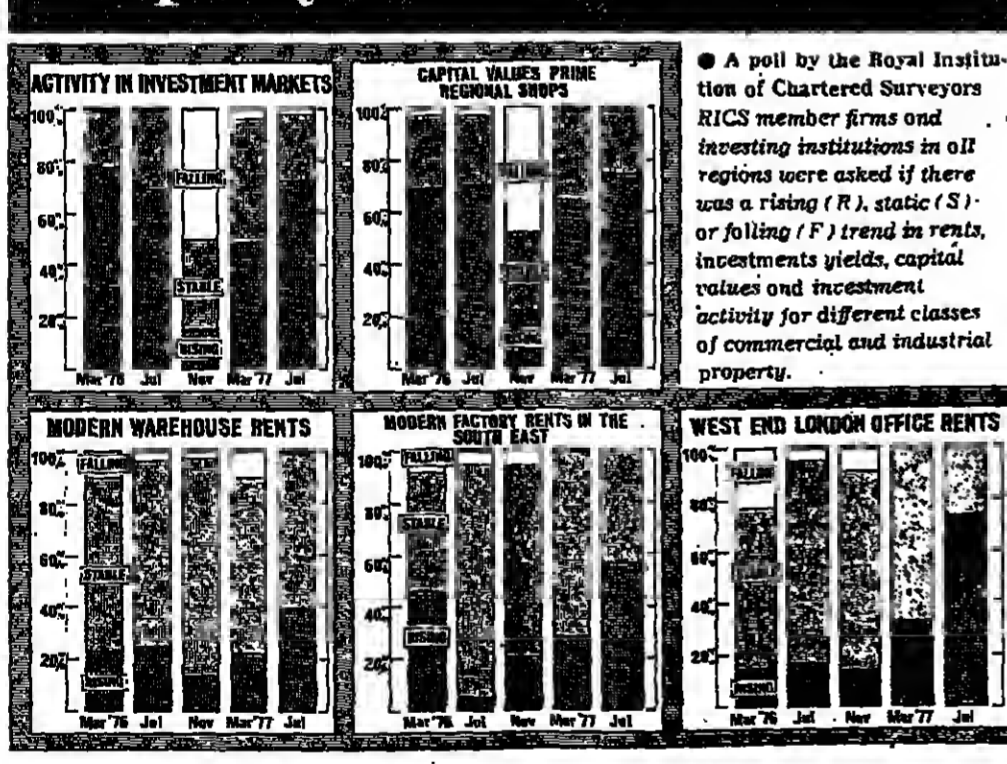
Optimistic

The 7 per cent. rate of growth in air is lower than that of 10-12 per cent. experienced by the aviation industry in the mid-to-late 1960s before the recession, but it is none the less substantial.

Mr. Don Turner, the authority's planning director, says the forecasts are in line with estimates of traffic growth at other major Western European airports...

Passenger traffic in the south-east—including Heathrow, Gatwick and Luton—is expected to triple from the present 31m. a year to 85m. by 1991.

Property Market Indicators



Industrial rents rise

BOTH tenants and buyers are showing greater interest in acquiring industrial property. Rents in some of the busiest shopping locations are rising and investment demand for such properties is strong...

The market appears strongest in the South East, including all but the central area of the Greater London Council. A majority of respondents see rents rising there for both factory and warehouse properties...

These trends emerge from the fifth poll of business indicators and activity in the property market conducted by the Royal Institution of Chartered Surveyors in conjunction with the Financial Times.

Responses from member firms and investing institutions are based on current enquiries in the property market, indicating the intentions of office space users, industrialists and retailers.

Table with columns for Areas (Offices, Prime Regional Shops, Secondary Shops, Modern Factories, Modern Warehouses, Industrial Land) and rows for Rent and Capital Value indicators across various regions (LON, WEST, REST, SE, N, EAST, YORKS & EASY, WEST, SW, SCOT., WALES, N. IRE.). Includes sub-headers like 'QUESTION 1 What is the trend of rents?' and 'QUESTION 2 What is the trend of investment values?'.

rising, while the 400 per cent. verdict on CIC's rental value index is striking (with the West End's 94 per cent. also being far removed from the national average). In capital values, both areas benefit from owner-occupier demand as well as investment confidence...

On the one hand we encourage development by offering grants and on the other discourage it by levying rates after three months from the date of completion. This is insufficient time in which to attract a tenant and analyse negotiations.

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LABOUR NEWS

Bank union agrees to new services for pay increase

GARNETT, LABOUR STAFF

ANAL Union of Bank... The new services were made possible by the 1978 TSB Act...

Part refuses order hand over mail

LABOUR STAFF

ICE MACKENNA... changes in the picketing... Mr. James Jardine, the union's chairman...

Miners 'no' to free coal plan

By Alan Pike, Labour Staff

THE NATIONAL Union of Mineworkers... another reversal yesterday when a members' ballot rejected a recommendation to approve a concessionary coal scheme...

Car men to seek £20 rises

By Arthur Smith, Midlands Correspondent

IMPORTANT sections of the motor industry are defying the TUC and seeking to evade the present Phase Two pay controls...

Lord Gibson only opposes closed shop 'by coercion'

BY PAULINE CLARK, LABOUR STAFF

LORD GIBSON, chairman of the group which owns the strike-hit Darlington newspaper, made it clear yesterday that he was opposed to newspaper closed shops only where they were achieved by coercion rather than by persuasion...

Executive changes at Ass. Television

Mr. Jack Gill, executive deputy-chairman, ASSOCIATED TELEVISION CORPORATION, has been appointed deputy chief executive...

Grange wants swift inquiry

GRUWICK Court of Appeal... Lord Justice Scarman said that unlike a court of law, responsibility for calling witnesses rested solely with the court of inquiry...

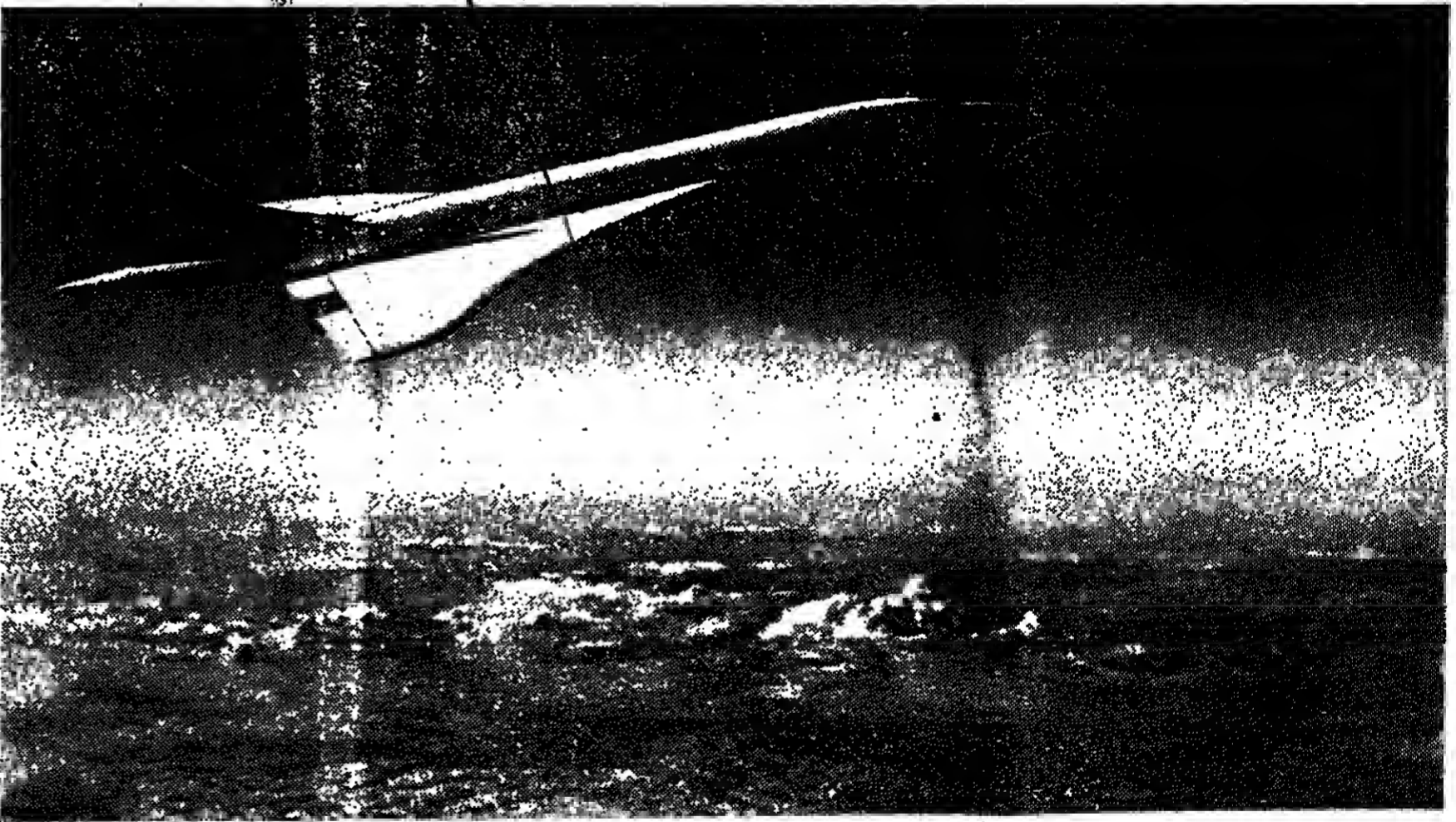
Holding out

Similar action is planned by the 6,000 workers at Leyland Cars Triumph plant at Cusley, Coventry, where the annual agreement should have come into force from the beginning of this month...

Call for action by railwaymen

By Ray Perman... RAILWAY WORKERS' delegates yesterday mandated their union to oppose the Government's transport White Paper...

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AIR FRANCE

Financial Times Columnist Appeals

'Set-up' suggestion withdrawn

THE Financial Times... Mr. Tether's column was left out of the paper because he and Mr. Fisher could not agree on its content and were hardly speaking to each other...

added: "This was a kind of set-up situation, the object of which perhaps was to put me in the wrong without providing me with an opportunity to correct that."

Wobbler sorts the load

William Ryland... Mr. Ryland, who has been managing the Post Office's mail sorting machines, has been appointed to the new post of chief executive of the Post Office...



The Army...

Production Ltd... The Army... Various small text fragments and advertisements on the left margin.

The Property Market

BY QUENTIN GUIRDHAM

Two major London office sales

Two major London office sales, with in both cases large parts of the buildings onlet, were announced yesterday. Norwich Union, paying at least £20m, for the United Kingdom Provident Institution's tower in Victoria Street, confirmed the trend for institutions of sufficient size to want to get their money out in large chunks while the supply of suitable projects lasts. The same purchasers have recently agreed a £24m funding for Peterborough's shopping centre, and the group has a similar amount tied up in another London office scheme, the Euston Station development. The buyers of Maple House, Tottenham Court Rd, for £11.25m, are perhaps an even clearer indication of opinion that major London office schemes are due for a sharp rise in value. Bernard Sunley Investment Trust, also the leader of the consortium which bought the Legal and General's residential and commercial portfolio for £15m, is partnering London Mercantile Corporation, a banking business whose chairman is tax expert Godfrey Bradman, in the acquisition. The Maple development includes a 51,000 square foot retail store which will be leased back by Maple at a concessionary rent of £125,000 which, though reviewed, will remain concessionary. The residential element was leased to Camden Council at

a premium of £1.45m, and a Health and Social Security for a premium of £400,000. Even so, paid slightly more across the market. Maple show a deficit on already written-down book values of £2,945,000. But Maple and Company, whose interest at £1.05m, was nearly double rents being received, will now be repaying the outstanding balance of its £15m syndicated bank loan, leaving the £2.7m nominal of debenture stock as its only material asset.

The RICS-FT Property Indicators Poll appears on Page 10.

long-term borrowing. For the company, who were advised in the sale by Matthews and Goodman and Healey and Baker, this is the end of a disastrous episode conceived at the top of the market when the Jessel influence was strongest.

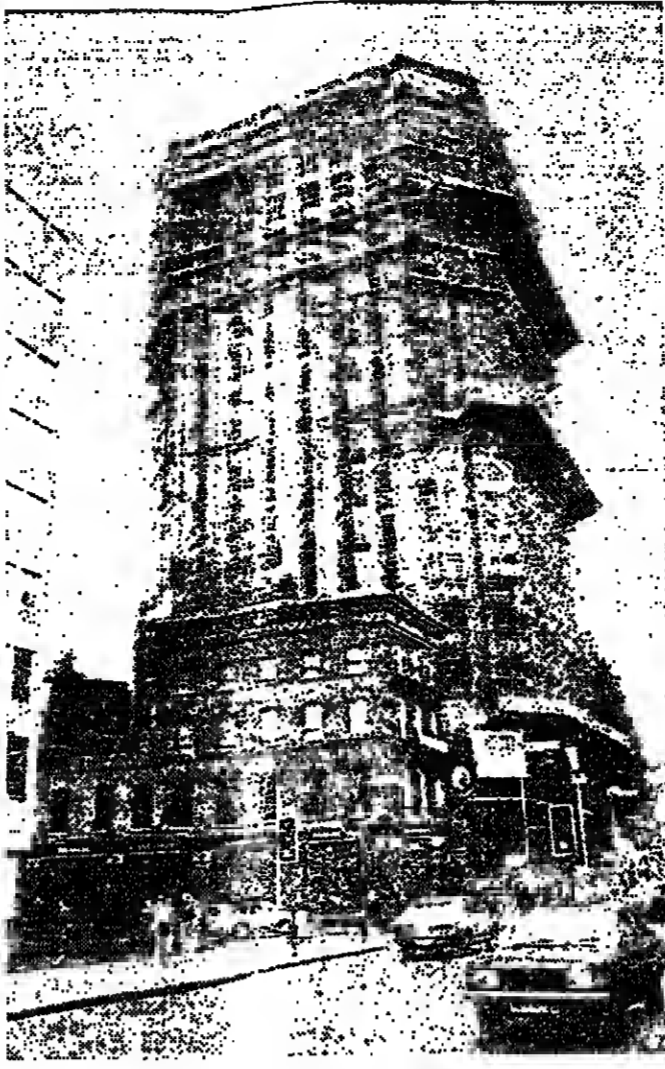
Henry Davis and Montagu Evans have been advising the buying syndicate (it includes some minority interests beside Sunley and London Mercantile). The potential lies in the 114,750 square feet of offices and showrooms (where 66,125 square feet have been let, and with a rental level of £3.50 a square foot maintained for the office). Of the remainder only 9,000 square feet is suitable for showroom use. Sunley stated yesterday that it had already had a number of inquiries.

The final price for Norwich Union in Victoria Street will not be settled until letting is completed on the 18-store, 110,000 square foot tower (Lloyds Bank occupies the 20,000 square feet first phase of the development). Around 61 per cent should turn out to be the initial yield, based on a complicated formula.

Rental levels in the area appear to be at least £12.50 a square foot. The Government premium of £400,000, even so, paid slightly more across the market. Maple show a deficit on already written-down book values of £2,945,000. But Maple and Company, whose interest at £1.05m, was nearly double rents being received, will now be repaying the outstanding balance of its £15m syndicated bank loan, leaving the £2.7m nominal of debenture stock as its only material asset.

UKPI's motive for selling is, apparently, to cut an over-emphasis on property which has come about through its successful exploitation of some prime London sites. Its total direct property investment was £55m, in the last balance-sheet (the Norwich Union's is nearly ten times that).

With several other London schemes in progress some sales were inevitable. The scale of UKPI's London interests can be judged by the 162,000 square feet of offices, 30,000 square feet of showrooms and 50,000 square feet of shops on Oxford Street included in the former Waring and Gillow development due next year (worth around £30m) and a 150,000 square feet St. James Square still to be started. Letting on Queen Victoria Street is still in UKPI's hands, with Edward Erdman and Henry Joel the joint letting agents.



The United Kingdom Provident Institution's tower in Queen Victoria Street, London, sold to Norwich Union for a price expected to exceed £20m. Completion, and finalisation of the price, will be delayed until UKPI lets the whole scheme.

OUT AND ABOUT

● The RICS is selling the former Chartered Auctioneers and Estate Agents headquarters at 28 Lincoln's Inn Fields to the Association of Certified Accountants (the second largest of the accountancy bodies, originally formed of those who could not afford the articles system of the Chartered brethren and now strong in industry and on the teaching side—17,000 members and 60,000 registered students). So the idea that the 14,000-square-foot building would find an institutional buyer proved correct and Healey and Baker and Jones Lang Wootton have got the RICS a pretty fair price, £1.5m. The accountants should take possession and complete the deal at the end of the year when the surveyors will be able to move back into the restored Great George Street premises.

● Grosvenor Estate Commercial Developments Ltd. report the letting of their 68,000 square feet warehouse development at Weedon, Northampton, to Fine Fare at a rent of £68,500 per annum. The development, situated on the A45 mid-way between Northampton and Daventry within two miles of the M1, is to be used by Fine Fare as a distribution depot for their new Shoppers' Paradise chain of stores. The completed freehold investment has been sold to pension fund clients of Cluttons at a figure described as very close to the asking price of £59,000. Wilson and Partners of Northampton and King and Co. acted jointly for Grosvenor in both the letting and the sale.

● The London Borough of Hackney Superannuation Fund, advised by Vigers, have completed the purchase of a new office development at Goldington Road, Bedford, pre-let to the Secretary of State for the Environment for

occupation by The County Court. The property comprises 7,500 square feet of accommodation on Trafalgar Road and three upper floors. The DoE has entered into a new lease on full repairing and insuring terms for 25 years with frequent rent reviews and the price paid by the Fund for the investment was £308,000. The developers were Huntsford Building Company who were advised throughout by Hampton and Sons.

● British Land has reached agreement with Belegingsmaatschappij Wereldhave NV under which Wereldhave will acquire a 50 per cent interest in the group of properties owned by British Land at 56 and 54-50 Rue du Faubourg St. Honoré and 43-4 Rue d'Aguesseau, Paris. Wereldhave is a publicly quoted property investment company in the Netherlands.

● The principal property consists of a 135,000 square feet freehold office building which had been previously refurbished by British Land and let in its entirety, with annual indexation, to the French Government. In addition, there is a further complex of 100,000 square feet of shops, commercial offices, professional offices, residential apartments and parking facilities for up to 150 vehicles. The buildings stand on a site of some 1.5 acres. The total value is put at Frs120m, and the property is financed to the extent of Frs75m, by a long term fixed rate mortgage.

● This agreement mirrors the earlier Frs140m transaction between Wereldhave and British Land, completed last year, principally involving a major group of modern fully let freehold office properties at Rijswijk (near The Hague) and Rotterdam in Holland.

● British Land has also sold the Lloyds Bank Building in Santa Ana, California, for over \$9m.

● C and A have set up a new distribution centre at Woking on the Goldsworth Park. Trading to announce their names shortly.

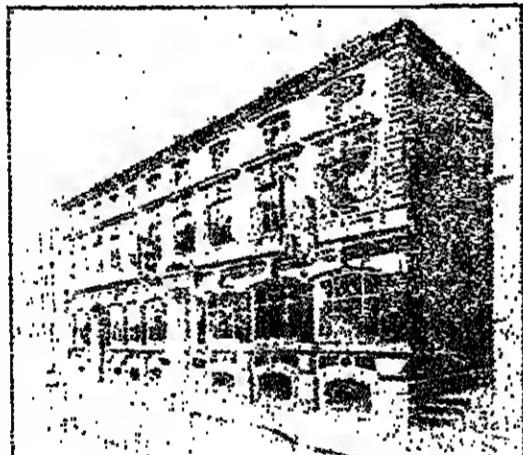
● The Scottish Provident Institution have leased approximately 3,000 square feet on part of the fourth floor of 1-5 Lombard Street, London, E.C.3, to the United Bank of Kuwait at a rent around £16 a square foot. The bank currently have leases on the third, fourth, and fifth floors in the building and this new letting is a further expansion in their City office. Jones Lang Wootton acted for the Scottish Provident Institution and the United Bank of Kuwait were represented by Healey and Baker.

● The Combined Petroleum Pensions Fund has agreed to provide £20m for the next phase of Reddish Development Corporation Centre. Lease/leaseback terms have been agreed with the Fund through their agents, Hillier, Parker, May and Rowden and Reddish Development Corporation which means that the Corporation has now got the all-clear to go ahead to meet its programme for a start on sites early in January 1978. The new phase will consist of a development of 300,000 sq. ft. including a large departmental store to be occupied by Tesco. Additionally, the Reddish Development Corporation will be 57 shop units together with offices and a few residential flats. This phase is programmed for the first shops to be opened for Christmas 1978. This will leave one more phase to be built to complete the Kings' Shopping Centre and plans are already ahead in the design stage and the Corporation intend to make a start on this within the next two years. The Corporation stores and the Corporation's headquarters are located at Woking on the Goldsworth Park. Trading to announce their names shortly.

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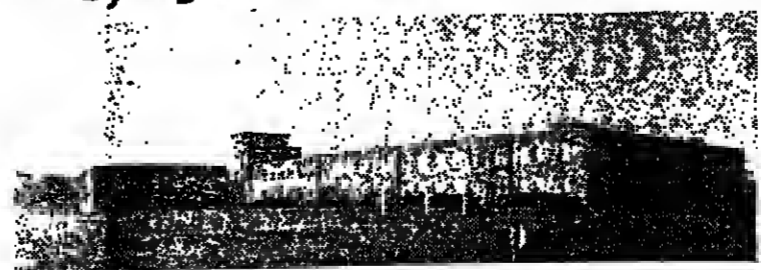
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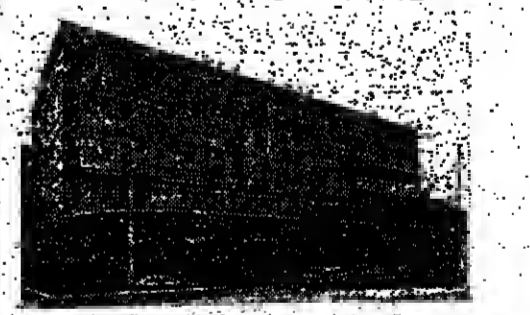
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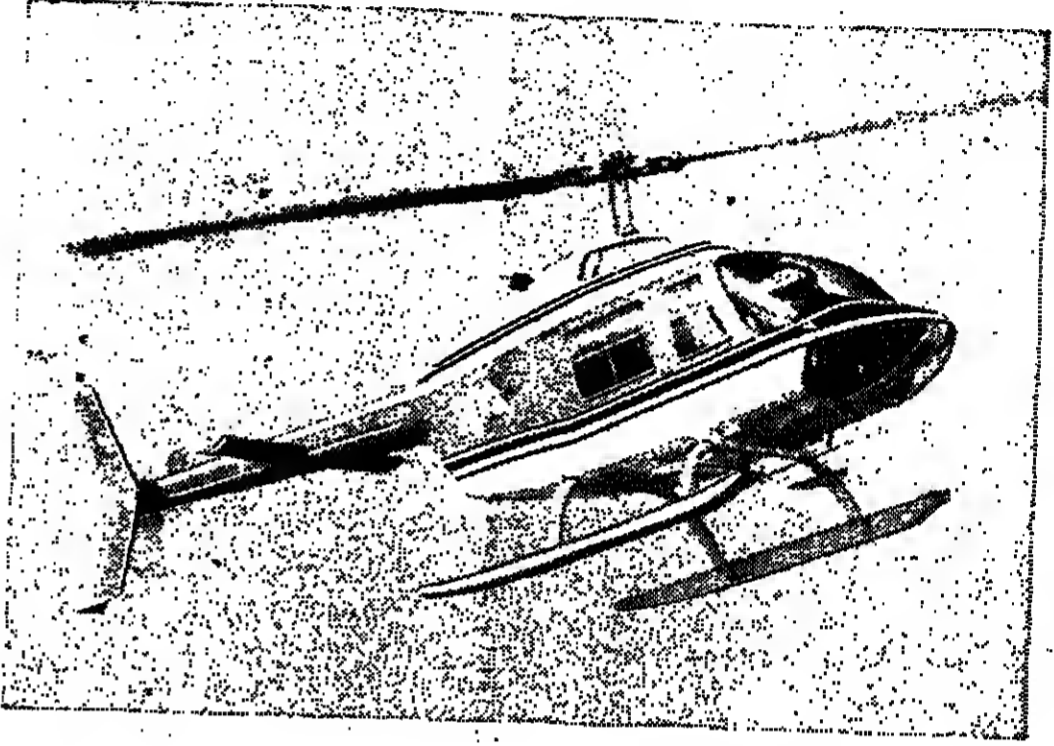
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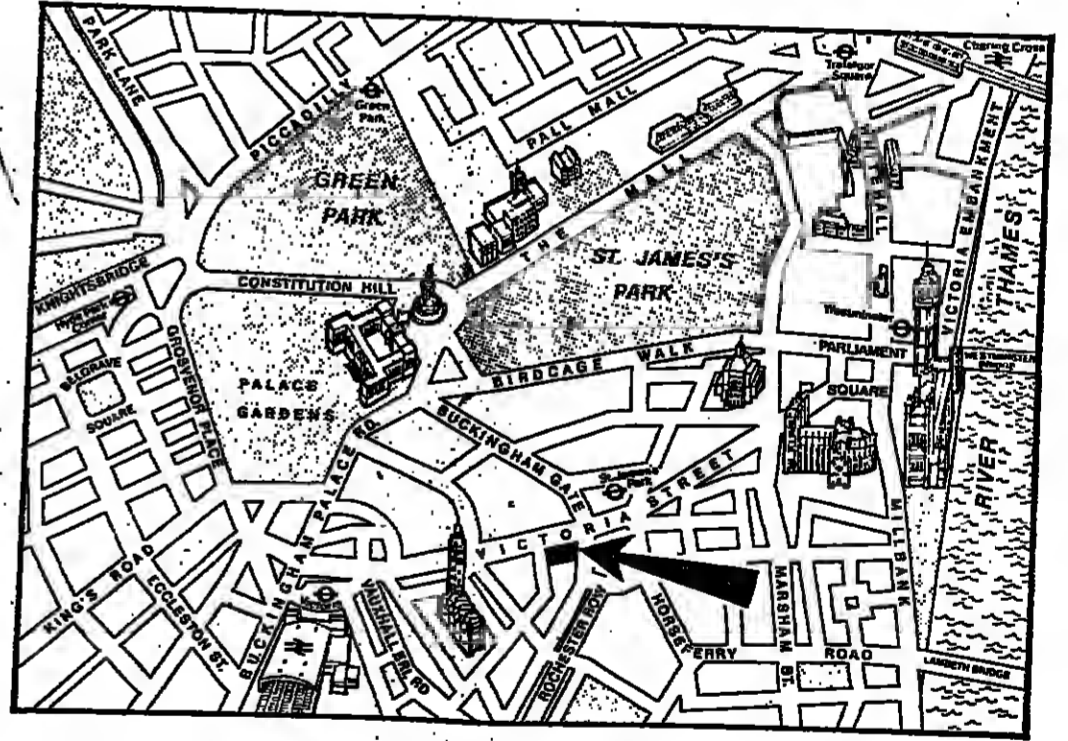


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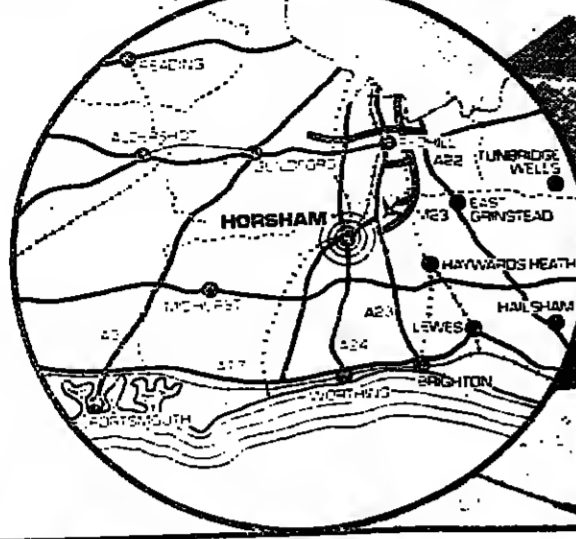
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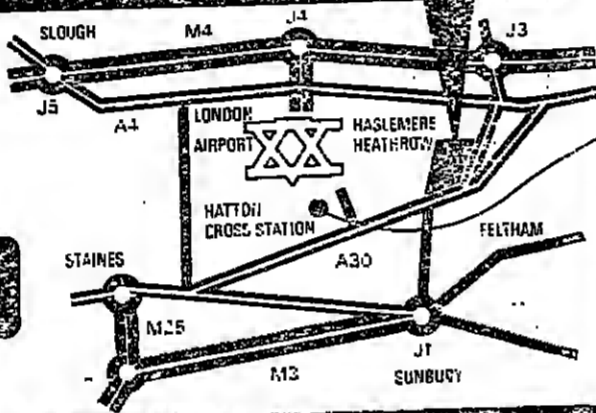
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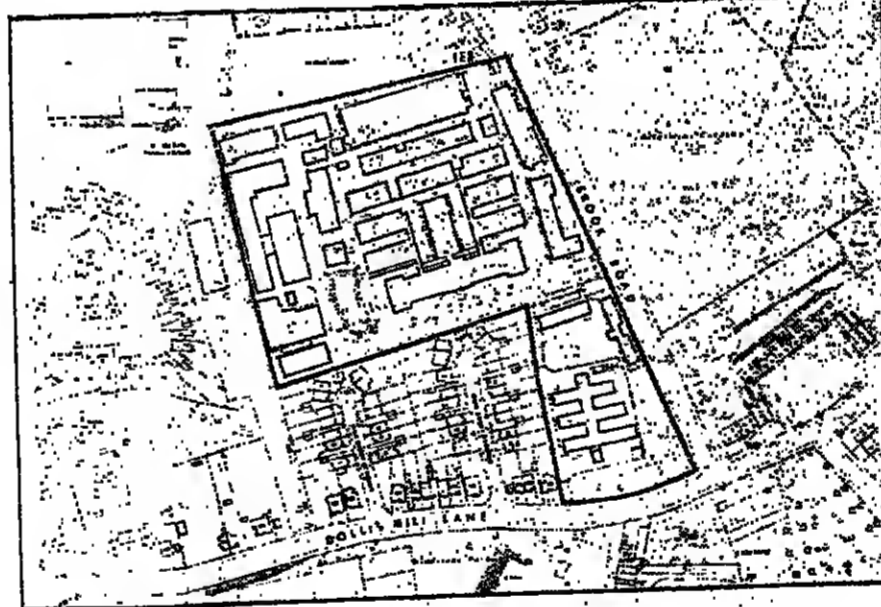
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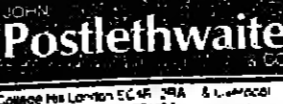
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PARLIAMENT and POLITICS

Tories press for answers on Government economic policy

Premier attacks 'fuss' over White Paper

TORY MPs forced the Prime Minister on to the defensive in the Commons yesterday when he admitted that, despite earlier undertakings, no White Paper is to be published outlining Government proposals for the period after the current phase of incomes policy ends on July 31.
It was only when challenged by Mrs. Margaret Thatcher, Opposition leader, that Mr. Callaghan thought it necessary to mention that there would be no White Paper after all and that the Cabinet had taken the view that the statement to be made in the House today by Mr. Denis Healey, Chancellor of the Exchequer, could be left to stand on its own.

Peers estimate £562m. net contribution to EEC budget

BRITAIN'S NET contribution to next year's European Community budget is likely to amount to some £562m., according to estimates published by the Lords Select Committee on the European Communities.
The committee acknowledges the difficulty of making any but crude forecasts, in view of the uncertainty about the eventual size of the Community budget, as well as of many of its constituent headings.

Grunwick police injuries

LATEST "HORRIFIC" figures for police injuries at the Grunwick factory called for tributes to the courage, restraint, and dedication to duty of the police, Mr. Kenneth C. (Charles E.) said in the Commons yesterday.
Mr. Marilyn Rees, Home Secretary, told MPs that 243 police officers had been injured between June 13 and July 13 and 377 people had been arrested.

MP's conduct amounted to contempt of House, says Select Committee

MR. JOHN CORDLE, Conservative MP for Bournemouth East, was taken heavily to task yesterday for conduct "amounting to a contempt of the House" over his handling in Parliament of his business link with Mr. John Poulson, the bankrupt architect, jailed for corruption in 1974.
At the same time, two other MPs, Mr. Reginald Maudling, a former Chancellor and Deputy Leader of the Conservative Party, and Mr. Albert Roberts, Labour MP for Normanton since 1951, were criticised for falling below the normal standards of behaviour for MPs in their own associations with Mr. Poulson.

Abused

Between March 1964 and February 1970, the MP was paid by Poulson £5,628, and the committee comments that "neither the nature of the work nor the sums of money involved... such that the arrangement could not have operated acceptably so far as Mr. Cordle's membership of the House was concerned."
It is known and accepted by the House that there are members who openly enter into a consultancy arrangement in connection with which they may at times be called upon to give evidence or take part in debate on certain subjects relevant to that consultancy.

Written Answers

Mr. Roger Sims (Con, Chesham), the Secretary of State for the Environment, said that the Secretary of State's intention to appoint the reconstituted Natix Dock Labour Board representatives of importers and exporters?
Mr. Harold Walker, Minister of State, said that the members of the Board appointed with effect from August 1. None had been appointed solely to represent porters and exporters. Appointments of the four members of the Board, other than nominated by the National Council for the Port Trade Industry to represent dock workers, had been made after consultation with the Trades Union Confederation of the Industry and the National Council as required by s.1(4) of the Act.

Historic homes tax relief approved

A GOVERNMENT amendment to the Finance Bill giving tax relief on the maintenance of historic buildings was approved by the Commons yesterday despite criticism from both sides of the House.
The amendment, which was approved without a vote, allows the trustees of a maintenance fund for a historic house to elect that its income should be taxed at the basic rate and at an additional rate of 15 per cent. only. At present, tax is levied at the owner's highest rate.

Tories urged to reverse State takeover trend

A POLICY of denationalisation to arrest the move over the past 30 years in favour of the State sector should be a key part of the Conservative Government's policy, declares Mr. Ian Gow, MP for Eastbourne, in a pamphlet, published yesterday by Aims for Freedom and Enterprise.
Mr. Gow, who has already put forward denationalisation Bills, says that State activities to be handed to private ownership should include Cello and Wireless Corporation, the National Bus Company, British Leyland, British Airways, British Steel and electricity and gas.

Salary

But the committee observed that had the Commons known of the close business relationship between the two men, it would have considered the statement to have been "lacking in frankness."
Your committee consider that in this respect, Mr. Maudling's conduct was inconsistent with the standards the House is entitled to expect from its members.

Next week's business

MONDAY: Debate on EEC motions on energy, the monthly budget and the Regional Development Fund.
TUESDAY: Debate on a large towns and cities Bill; second reading; Counter-attack; Price Controls; and Water Charges Bill; Lords amendments.
WEDNESDAY: Finance Bill; second reading.
THURSDAY: Finance Bill; second reading.
FRIDAY: Patents Bill; second reading; Northern Emergency Provisions and Employment Bill; second reading; Bill from Eviction Bill and remaining stages.

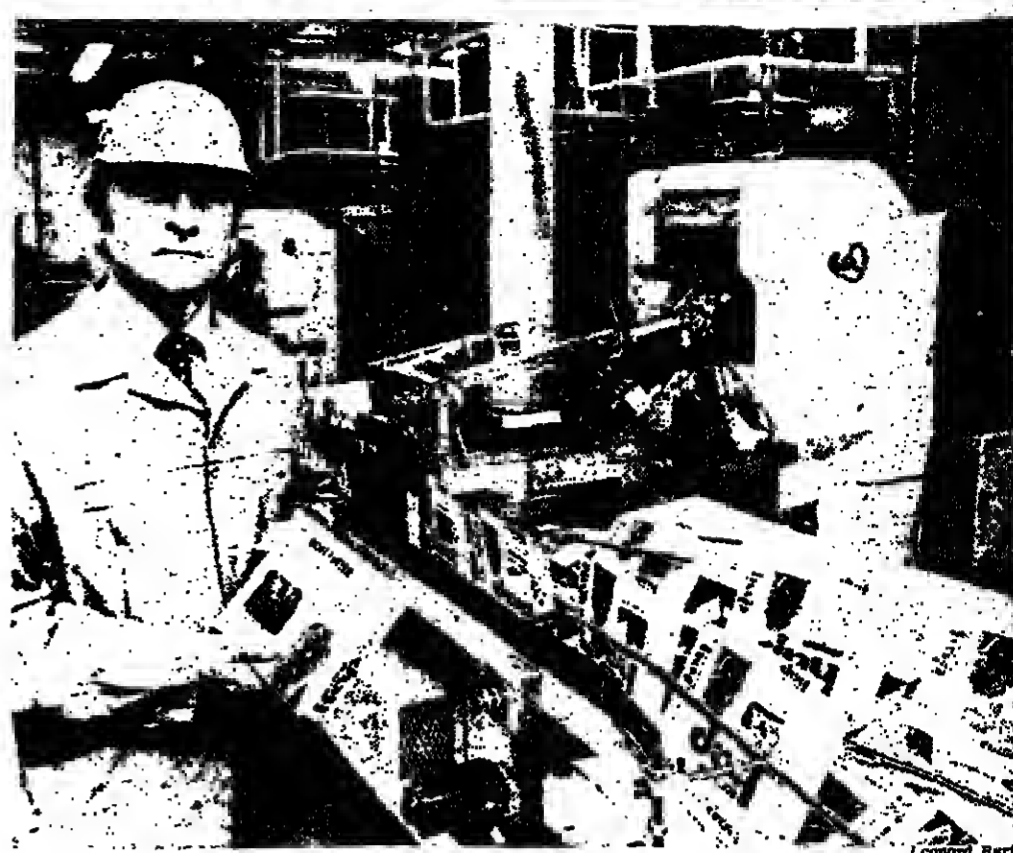
MANAGEMENT
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The Management Page

EDITED BY CHRISTOPHER LORENZ

Pedigree Petfoods' popular products unusual attitude to profits, people production. Nicholas Leslie reports

A pet approach to assets



Walter Dickson, managing director of Pedigree Petfoods, in the packaging section at Peterborough. Adjacent is an automatic box erector and filling machine, developed in conjunction with one of the company's suppliers.

manufacturing com- public arena. Pedigree prefers only other big manufacturer. It is high, the cost per unit of out- put is kept low.

Pedigree maintains its high production rates not only through its control systems, but also because it is continually finding ways to adapt its plant to make it more efficient. As a result, it has developed key pieces of machinery, such as a device that can fill cans at the rate of 900 per minute (much faster than its competitors, so it maintains) and a machine for making one of its packaged products at the other plant at Peterborough. By adapting plant that its buys, Pedigree maintains that it can often raise the efficiency of it by between 50 and 100 per cent.

But, says the company, the system it operates places high demands on employees. "People management is how we get asset efficiency," says Walter Dickson. "Enormous efforts are put into horizontal and upwards and downwards communication."

It is not, however, pure coincidence that Pedigree is emerging from relative obscurity at a time when it faces a new, and perhaps tougher, environment. In a few weeks of publication in the Monopolies Commission report into the pet foods industry.

In simple terms, Pedigree's difference is that it runs its main plant—at Melton Mowbray, in Leicestershire—24 hours a day, seven days a week (except for a break to clean the factory). Such a system, it feels, is the socially responsible way to do things since it does not waste resources.

The target for each operating unit is defined as "return on total assets," and is set at about 28 per cent. per year—any variation must be marginal since a substantial shift from plan can jeopardise effectiveness and growth. The "return on total assets" objective is very similar to the more commonly known "gross return," defining earnings as profits before tax, plus depreciation, interest and leasing charges. Assets are defined as fixed assets at undepreciated cost plus the capital value of leased assets plus current assets.

Walter Dickson maintains, though, that he has no fears about the Price Code. To date there have been no problems about raising prices "and we have not been operating anywhere near our reference level." As for the Monopolies Commission investigation, Mike Pullan, Pedigree's administration director, remarks that "there is nothing that we are not prepared to stand up and be counted for," while Walter Dickson adds that "there is no feature of the report where we feel there is a likelihood of our having to change our practices."

To achieve so high a production rate under these circumstances requires "complicated systems of control and a good communications system," says Walter Dickson. If there is a breakdown "we have to do a lot of phoning." Deliveries have to be halted or slowed up and even unloading from ships may have to be organised. However, downtime of plant is low, he says, and while this means the cost of maintenance per unit of capital

problems, some of which are dealt with on the spot. Each of the four shifts elects a representative to team meetings, which are held every five weeks, and at which topics not dealt with at the shift meetings are discussed. The most important items are left to be passed on to review meetings, at which senior management is present. A vote on any subject is never taken—if it seems clear that agreement on something will not be reached a working party is set up to resolve the situation. The present pay system evolved out of this process.

Pedigree—like its company—has mainly low profile, with its name known as a dominant dog and cat foods. Now, however, the world to know the success. Why it is running second with about 25 per cent. and Quaker Oats the

same thing as the disclosure of information to employees generally, commonly seen in the use of simplified accounts, and plant-level financial reports of information, performance data, and financial information such as cost structures, profit and loss accounts, profit allocations, loans and liabilities. In view of all this it is very surprising that little or no attention has so far been devoted to the sort of accounting information which trade union negotiators will require under the code. It also remains to be seen whether any of the information will have to be audited.

Other examples of its unusual interest and any work-related

REVIEW

BY MICHAEL LAFFERTY

Disclosure code for collective bargaining

Information Disclosure Code for Collective Bargaining, by B. J. Foley and J. Macmillan. Macmillan.

The authors believe that the code will lead to increased demand for educational and research facilities. Accountants may be involved in both of these fields, as educators and by being directly employed in research on behalf of unions. In cases where summarised information is required there will also be a need for an independent accountant to audit the information if it is to be rendered credible for bargaining purposes.

NATIONAL MANAGEMENT PLATE

BY MICHAEL DIXON

7000 finalists face the acid test

This morning a group of 7000 finalists will be faced by a set of 10 questions. At 10.15 am they will be faced by a set of 10 questions. At 10.15 am they will be faced by a set of 10 questions.

Barry Ship and Brian Holly. Next in the final is the Guardian and Manchester Evening News, which in the semi-finals, out teams from the Times and News subsidiary, Engineering Components, and from British Nuclear Fuels. The Manchester finalist side has only three players: Terry Maycock, David Parkinson and Paul Redmond.

MANAGEMENT COURSES

- Management Education. Management House, Catherine's Col. Parker Street, London WC2B 5PT. July 17-22. Fee: 5PT.
- Assertive Management. Royal Garden Hotel, London. July 29-31. Fee: £495. Details from Management Four-AMR International, 6-10, Fredrick Close, Stanhope Place, London W2 2HD.
- Practical Budgetary Control. Rembrandt Hotel, London. July 26-27. Fee: £90 plus VAT. Details from ASK, 565, Fulham Road, London SW6 1ES.
- The Work of the Personnel Department. Kennedy Hotel, London. September 5-8. Fee: £208.44. Details from the Course Administrator, Institute of Personnel Management, Central House, Upper Woburn Place, London, WC1H 9HX.
- Basics for Buyers. EuroCrest Hotel, Glasgow. August 22-26. Fee: £120 plus VAT. Details from The Institution of Buyers, Concorde House, 24 Warwick New Road, Royal Leamington Spa, CV32 5JH.
- The Secretary's Role in Management. White Hall Hotel, London. August 23-25. Fee: £75 plus VAT. Details from PMG Executive Training and Development, 207, Victoria Street, London SW1E 5NE.
- Integration of Sales and Planning. Royal Lancaster Hotel, London. July 21. Fee: £45 plus VAT. Details from Institute of Marketing, Moor Hall, Cookham, Maidenhead, Berkshire, SL6 9QH.
- The Creation of Growth in U.K. Companies. Ashbridge Management College, Berkhamstead. July 25-26. Fee: £150 plus VAT. Details from the Registrar, Ashbridge Management College, Berkhamstead, Hertfordshire, HP4 1NS.

For the whisky industry, insurance of stock is a traditional headache. Not only because the stocks necessary for blending are enormous. Or that they are constantly changing. Or even that they are frequently in widely scattered locations. The real problem is that insurance companies, from time immemorial, have demanded a monthly inventory location by location.

That's one tradition Hogg Robinson thought the whisky industry could well do without. So we investigated the problems in depth, and were able to introduce an 'All Risks' policy to cover all alcoholic beverages in any bonded warehouse. Which means, among other things, the end of the time consuming monthly inventories.

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What the EEC budget row is all about

By IAN DAVIDSON, Foreign Editor

Heading for a balance

THE MAY trade figures looked disappointing at first sight, since the current balance slipped back into deficit from the large surplus of the previous month; but the deterioration was almost entirely due to oil and to purely random fluctuations in the arrival of tankers and documents.

There is now little doubt, in fact, that the original official forecast of a £500m. current account deficit for the year as a whole will turn out to have been over-cautions. It was based on the assumption that there would be a deficit in the first half and a rough balance in the second.

It seems quite possible, therefore, that the current account for the year as a whole will be very close to balance. This only brings forward by a few months a position which was generally foreseen: the last Bank of England Bulletin, for example, estimating that the contribution of North Sea oil to the balance of payments would rise from £650m. in 1976 to something between £2.5bn. and £3.5bn. in 1977.

Protectionism is not the answer

THE WORLD recession has not yet provoked the wave of protectionist measures that many people originally feared. But free trade is increasingly coming under fire. France and Italy have obliged the EEC Commission to endorse import restrictions on textiles and motor bicycles, the U.S. Administration is under mounting pressure to impose countervailing duties on steel and colour televisions and even Mr. Malcolm Fraser, the Australian Prime Minister, who argued strongly against protectionism during his visit to Europe last month, has now had to accept the case for curbs on car imports.

It would help, too, if fewer poor countries plumped for textiles as the road to development. Greater regional co-operation between developing countries might ensure a better industrial balance, and Western Governments and companies can contribute by appropriate technology transfers and investment policies.

The MFA negotiations, on the other hand, are on the brink of failure and it will take all the skill of M. Olivier Long, the GATT Director-General, to save them. It is important that he should succeed in his mediation attempt. The MFA is by no

IN THE CALENDAR of which is the subject of the current dispute. During the first five years of membership, the European Community, there are two hardy annuals: a spring campaign over farm prices, and the autumn struggle over the budget. The farm price argument is mercifully over for this year, the budget argument is due to reach its first crunch point next Wednesday.

As you might expect, the argument is chiefly between the Germans, who feel that they are the paymasters of a Community which spends too much on policies that are objectionable anyway, and who resent the fact, and the British, who have long felt that the underlying principles of Community finance were biased in favour of the original members, and who have engaged in a number of battles over the past five years to achieve what they regard as a righting of the balance.

Ever since the EEC was formed in 1958, and certainly since the first British negotiations in 1961-63, the Community has moved, erratically but inexorably, away from the idea that each member state should pay a certain percentage of the budget, and towards the idea that certain forms of national revenue should automatically be transferred to the Community.

The current dispute revolves around the introduction of a new European Unit of Account for the Community budget, and in particular around the interpretation of an article in the British Treaty of Accession to the Community.

Money target As to competitiveness, the evidence of the trade returns does not point decisively either to an improvement or a worsening in the U.K. position. Certainly export prices have continued to rise, but import prices have also risen, and the net result is a smaller deficit.

Either way, the six original member states will move fully over to the application of the principle of "own resources" from the beginning of next year. But under their Accession Treaties the three new member states—Britain, Ireland, and Denmark—will have a further two years (1978 and 1979) to make the transition, with the unfettered application of "own resources" coming into play for them only in 1980.

It is this two-year period

17 per cent. of the Community British contribution, and that therefore article 131 of the Accession Treaty does not come into play. More important, the German interpretation disregards what was patently the purpose of the budgetary arrangements negotiated for Britain and the other new members: to ensure that there would be a reasonably steady transition to full participation in the Community's own resources system.

Now, no-one can tell exactly what would be the consequences of going along with the German argument. A great many assumptions have to be made about the size of the budget; about the rate of growth of the economies of the member states (to get some approximation to national revenues from VAT);

The Commission then strikes a two-fifths compromise between this figure and the U.K.'s actual percentage for 1977, as agreed in the accession negotiations (19.4) and that's the percentage for 1978: 21.4, or £1,044m.

When the same calculation is done in the new European Units of Account, the British contribution to the GNP element in own resources comes out as 12.8 per cent., not 20 per cent., because the pound is worth so much less in "realistic" EUAs than in UAs (£1=1.53, not 2.40). The ingenious bit of the calculation comes in line (h) of the table, when the actual percentage share for 1977 is similarly devalued, from the 19.4 per cent. agreed in the Accession Treaty to 12.31 per cent. It may look like sharp practice,

European Community budget and UK contribution 1978 How the calculation goes

Table with 4 columns: Description, £m., Budget Units of Account million, European Units of Account million. Rows include U.K.'s full 'own resources' in 1977, Total Community 1977 budget, U.K. share of GNP, etc.

* Assuming that UA = EUA for the budget as a whole

about the volume of Community imports (to guess at the revenue from import duties); and about the level of world food prices, and the weather in the Community (to forecast revenue from farm import levies). But one thing is certain: the British contribution to the budget would go up sharply, and that of Ireland would probably go up even more sharply in percentage terms.

This year Britain's gross contribution to the budget was expected to work out around £725m., plus inflation. According to one set of calculations, the German interpretation would raise that to £1,282m. in 1978, and to £1,403m. in 1979. Predictably, the British Government has said that an increase of this order is unacceptable.

There are two palpable weaknesses in the German case. The first is the logical fallacy of comparing the 1977 figure of 19.4 per cent. in the old units of account with the 1978 figure of 17 per cent. in the new units of account. Since the whole purpose of the German interpretation is sharply to increase the British contribution, it is surely consistent to argue that there is no increase in the

but it seems to produce a final result which, when translated back into pounds at the EUA rate, is still £1,044m.

It would be a relief if the complications ended here. They don't. In the notorious "renegotiations" of the entry terms, the Wilson government secured one major improvement in the Community's budgetary rules, designed to protect any weak member state from having to pay a demonstrably disproportionate share of the budget. It would be tedious to enumerate all the criteria which are needed to show that a contribution is "disproportionate", but the basic principle is that countries with below average GNP per head and a growth rate not much above the Community average, should not have to pay a budget share much larger than their GNP share.

Under the Commission-British interpretation of article 131, this "financial mechanism" would probably not come into play in 1978 and 1979 (though it might do thereafter). But it would come into play under the German interpretation. This German arithmetic might cost Britain as much as £500m. more over the two-year period than

MEN AND MATTERS

Swords for peace

The home-grown, British version of what former U.S. President Dwight D. Eisenhower described in his valedictory speech as the "military-industrial complex" was on parade yesterday at Curriers Hall. Protagonists of the encounter, in the suitably mock-medieval atmosphere of the banquetting hall, were Wilkinson Sword, representing industry, on the one hand, and top brass from the three services, headed by Admiral of the Fleet Sir Edward Ashmore, Chief of the Defence Staff, on the other.

The occasion could not have been further removed, however, from the sinister connotations of an "unholy alliance" which Eisenhower's phrase contained. It celebrated neither a technological breakthrough in the arms field, nor, indeed, the prowess of arms in general. It commemorated instead "the efforts of a unit of each of the three services to foster good relations with the community in which it serves."

Wilkinson Sword has been commemorating such acts of community service since 1966 when, in co-operation with the Ministry of Defence, it instituted a special award known as "the sword of peace". The three units who won this year's swords were the Hong Kong naval squadron, for the work it has done to help isolated small island communities and local youth clubs, the 2nd regiment, Royal Military Police, for community and police work in areas of Belfast where the army has been withdrawn but the civil police cannot yet operate alone, and RAF Leuchars for fostering generally good relations with neighbouring German and Dutch communities.

Over to you

Suddenly the sci-fi world of ENG (electronic ovens gathering) is upon us with the decision of the EEC to embark on a one year test after 18 months of evaluation and discussion of this revolutionary new addition to TV technology.

Cameras and transmitters have now become so small that it is possible for a reporter to cover a story direct and file both sound and pictures direct to the studio without any assistance. To do this he has a "back-pack" of highly sophisticated equipment using microwave links.

Tender egg

A special kind of scotch egg which hushes furiously if vigorously insulted was proudly revealed yesterday by the Egg Council who commissioned Toby Carter of the Poultry Research

Heartfelt

Toastmaster at a banquet: "My Lords, Ladies and Gentlemen, pray for the silence of our distinguished guest."

Observer



King George's Fund for Sailors looks after them

In this Country of ours, there is no-one who is not connected with the sea. Half the food we eat comes from across the sea. Many thousands of us, our relatives or friends past or present members of one of the sea-faring services, or of an industry dependent on them.

There are many charities for seafarers and their families. One, only one, however, is the central charity charged with collecting and providing funds for other seafarers' charities, and with making sure the money is distributed where it can be of most use. That central charity is King George's Fund for Sailors. Launched in 1917 at His Majesty's personal wish, KGFS distributes funds without distinction of service, of rank or of creed. The sole criterion is to distribute the money to the areas of greatest need.

When you want to remember our seafarers who are in need, remember King George's Fund for Sailors. We'll see to it that not one penny of your money goes to waste.

Please send your donation to: KGFS, King George's Fund for Sailors, 1 Chesham St., London SW1W 8LN

Mrs. Thatcher risks showing her colours



Mrs. Thatcher: genuine passion.

ARET Thatcher's on "Panorama" might be somewhat. It not her increasing herself and of the lowered general pose for the first the genuine pas- sion beneath her pomed and nor- s exterior.

Crusade

It is impossible to tell whether she is right. If she is, she will scoop the pool. If not, she will put people off perhaps to a disastrous extent.

Panorama" per- s' out reports that and advisers are sing difficulty in from throwing of this caution to he is increasingly the righteousness and she seems to increasing cer- tainly has caught the times. A full- fledged campaign for Free- dom any means to all the Shadow they must have so little at her senses to "Wig- gles" (echoes of his tempt in 1945 to Labour Party with still reverberate effect around him or he may be swept (Central Office), along by the force of his rhetoric against his will. But can he be expected to go on

accepting the beautiful cer- tainty and simplicity of the flowing propositions in- definitely?

(1) The Labour Party is on the high road to Communism. The argument proceeds as follows: Mr. Callaghan has to rely on the 80 votes of the Tribune Group in the House of Commons: all 80 are "extreme left- wingers"; therefore, Mr. Callaghan is under the control of the extreme Left. Again, there are Trotskyists in the Labour Party: Mr. Callaghan cannot turn them out; therefore he has compromised with them. Once you start to compromise with the Left you will be swallowed up: therefore Jim Callaghan will be swallowed up, as East European Social Democrats once were.

The emotional cladding of this thesis is all very impressive. The flesh creeps as Mrs. Thatcher, her eyes darting from side to side, declaims: "If you don't fight when the knock comes at your neighbour's door, what right have you to expect them to fight when it comes at your door?" But reduced to its essential elements as a statement about the real position of the Labour Party under Mr. Callaghan, it is really absurd.

The Tribune Group is a motley collection which wields far less radical than the Bewan- far less radical than the Bewan- ites whom Mrs. Thatcher men- tions with tolerance. The Trotskyists in the constituency parties and the trade unions are a genuine problem, but they are less of a problem than they were three years ago, and they have about as much chance of "taking over" the Labour Party in the foreseeable future as they have of taking over the Conservative Party. It may well

be excessively purist to object as a matter of political morality to Mrs. Thatcher putting off this over-simplified stuff if she thinks she can make a good cry out of it. The question is whether she is wise to do so, given that the voters, if they have time, tend to dislike this sort of exaggeration.

(2) The key to economic ex- pansion is lower taxation. There is a strong emotional charge to this thesis deriving not merely from everyone's natural desire to be taxed less but from Mrs. Thatcher's own idealised view of what makes people tick. The idea is that private industry in general and small businesses in particular can lead the recovery of investment if they were given the proper incentives. Similarly, managers in industry, and small business managers, will work harder if their personal taxation is cut. A lot of other themes are woven in here, including a strong element of Puritan moral uplift. Thrift and self-reliance will come with the restoration of market forces, as well as prosper- ity. But the basic picture is a romantic and nostalgic one, and it is no accident that Mrs. Thatcher has taken recently to talking a good deal about the Victorians.

Can such a picture stand the wear and tear of political life and economic reality for another 12 months, or neces- sary? It has the advantage of being evocative, particularly among a section of Conservative voters whose immediate economic interests appear in it under a very favourable guise. It also, clearly, has a particular reality in Mrs. Thatcher's imagination which means that she is very good at putting it across. The trouble is that the simplifi-

cation of the argument neces- sary to fit it into this frame- work does violence to too much of the real economic argument.

Even within the "Panorama" framework, this became apparent for, in order to answer the natural charge that her policy would be just the Tories helping the rich again, Mrs. Thatcher was obliged to answer that the reduction of taxation all the way down the scale would be necessary. The point was not pursued, but it does not require great ingenuity, once one has got this far, to impale the Conservatives on the horns

of the old dilemma—either the tax cuts at the middle and bot- tom end of the scale are chickenfeed, or they entail cuts in social expenditure so dracon- ian that not even the most resolute Conservative govern- ment could contemplate them.

(3) Trade unions do not com- promise. The link is that the internal contradictions of Conservatism are most manageable if Conservatism remains pragmatic. As soon as doctrine roars its head the difficulties become very great—and normal voters take fright.

Category	Amount
Home Office	1,200
Ministry of Defence	1,500
Foreign Office	1,000
Education	1,300
Health	1,400
Other	1,200

King George VI... looks after...

Letters to the Editor

Revenue reverse

From Mr. John B. Backes

Sir,—I was alarmed at the lack of understanding of your con- tributor on Page 3 last Saturday about, too, of the hesita- tion and restraint. But this is not the answer. In the April 1977, wages Plummer stands, then the 17 per cent. It is the use of the steady which have out- increased, that powerful trade against further

what the results explosion of wage d mean — higher prices would lead to emands. And so n. If employers, it are to get the port for a polly e demands, they if they, too, are guarantee that kept down be increases. If it was Manufacturers' interests to polly. After all, nial Food Survey ousewives have e prices by cut- self spending on

to Gate, S.W.1

Ingram.

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Energy assets

From Mr. F. P. U. Croker.

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Revenue reverse

From Mr. John B. Backes

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To-day's Events

Mr. Denis Healey, Chancellor of the Exchequer, expected to make statement to House of Commons giving detailed proposals on pay, prices and tax changes.

Retail price index for June pub- lished by Department of Em- ployment.

The Queen and Duke of Edin- burgh make Jubilee tour of Tyne and Wear and Northumberland, National Union of Railwaymen's annual conference ends, Avy.

Widow's Public Inquiry, White- haven, adjourns at 1 p.m. until Monday afternoon.

Periodical Publishers' Associa- tion annual meeting, International Press Centre, Shoe Lane, E.C.4.

Test and County Cricket Board meet on Kerry Packer "circus", Lord's, 10.30 a.m.

Tea Buyers' Association annual meeting, London Chamber of Com- merce, 60 Cannon Street, E.C.4.

Sir Robin Giblett, Lord Mayor of London, and his Sheriff attend Company of Cutlers in Hallam- shire Fortest Feast, Cutlers' Hall, Sheffield.

Parliamentary Business

House of Commons: Private Member's Bill (London Housing (Homeless Persons) Bill, second reading, Otter Hunting Regulation Bill (Lords), committee.

SAAB

EMS Sports Saloon

top performance, luxury sports equipment

The EMS has most of the features of Saab's world-beating works rally cars. The advanced 118bhp 2 litre fuel injection engine gives acceleration to 60mph in just over 9 seconds and top speed of 110mph, with normal consumption of 25-30mpg.

Front wheel drive, rally suspension, Bilstein gas shock absorbers, alloy wheels, low profile steel cord tyres, front spoiler, magnificent driver's seat, sports steering wheel geared for 3.4

SAAB

One of the world's finer cars

SAAB (Gt. Britain) Ltd, Fieldhouse Lane, Marlow, Bucks. SL7 1LY. Tel: Marlow 6977

Jubilee Souvenirs, Design Centre, 28, Haymarket, S.W.1 (until September 3).

Gold and Silver from the Roman World, British Museum, Blooms- bury, W.C.1 (until September 30).

British Genius Exhibition, Battersea Park, S.W.11 (until October 30).

LUNCHTIME MUSIC

Bad concert by London Fire Brigade, Tower Place, E.C.3, noon to 2 p.m.

John Dexter gives organ recital, St. Paul's Cathedral, 12.30 p.m.

Takako Sobu Okamoto (soprano): Guildhall School of Music and Drama, Barbican, E.C.1, 1.10 p.m.

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BIDS AND DEALS

Sears sells bulk of Freemans holding

Sears Holdings, the footwear and stores group headed by Sir Charles Clore, has sold 4.2m shares in major order group Freemans (London, S.W.9) for £2.2m. The block was dispersed among a range of institutions at a price of 53p a share by Joseph Seaberg, Sears' stockbroker...

Newman may make full Dover offer

NEWMAN INDUSTRIES, whose interests range over electric motors, portable engineering and international trading, has made an approach which could lead to a bid for the 74 per cent of Dover Engineering Ltd. It does not appear that any terms are being thrashed out between the two groups' respective advisers...

PLANTATION HDGS. Southern Instruments Holdings, a subsidiary of Plantation Holdings, has acquired from private interests the capital of Townson...

Rolls-Royce keeping its options open on Gardner counter-bid

Shares of I. Gardner, the diesel engine manufacturer, rose 20p to 300p last night on speculation that buying by Rolls-Royce Motors would lead either to a bid from Rolls or to a higher offer from Hawker Siddeley. Mr. Ian Fraser, chairman of Rolls-Royce, said last night that the company was holding its options open on the possibility of a counter bid to the Hawker offer of 340p per Gardner share...

J. E. Sanger buys stake in Socold

A major move into food retailing has been made by J. E. Sanger with the acquisition of 70.9 per cent of the capital of Socold (Holdings) for £70.158 cash. It has the right of first refusal over a further 8.9 per cent on the same terms. Socold currently operates three supermarkets and seven freezer centres in the South East and East Anglia, with its headquarters at Harlow, Essex...

SHARE STAKES

Berry-Wiggin Phoenix Assurance bought on July 7 118,500 10 per cent Cumulative Preference shares (13.36 per cent). Chartered Investment Services bought 50,000 shares at 42p.

PEARSON LONGMAN

Longman Inc, a wholly owned subsidiary of Pearson, has purchased with effect from July 1, for cash the assets of the college division of David McKay and Co. Inc. Morgan Guaranty Net assets being transferred are valued at some \$300,000.

BANK RETURN

Table with columns for liabilities, assets, and other financial metrics. Includes 'LIABILITIES', 'ASSETS', and 'Other Securities'.

ISSUE DEPARTMENT

Table with columns for liabilities, assets, and other financial metrics. Includes 'LIABILITIES', 'ASSETS', and 'Other Securities'.

WILSON (CONNOLLY)

Wilson (Connolly) is proposing to issue a scrip issue on the basis of one new 10p share for every ten ordinary shares held. The scrip will be distributed to entitled shareholders except that no payment will be made for less than £1.

RIGHTS RESULTS

Tommy Kenney and Millbrook (Holdings) rights issue to raise £2.8m. On the basis of one-for-five rights each has been taken up as to 91.5 per cent. The balance has been sold for the benefit of shareholders who did not take up their entitlement.

CAMBRIDGE WATER

Cambridge Water's offer for sale by tender of such an amount of 81 per cent Redeemable Preference stock 1982 as would raise £2.5m. at a price of 110p. The average price of acceptance came out at 109.7p.

BY EDMUND PENNING-ROWSELL

Even at the end of the season in which prices for rarities and first-growth clarets have shown some remarkable rises, Christie's final "fine and rare wines" auction of the summer provided a surprising number of record prices, thanks almost entirely to American and a smattering of Continental buyers.

B. Priest tops £1m. -rights plan

ON SALES ahead from £5.7m. to £9.39m. The taxable profit of Benjamin Priest and Sons (Holdings) has risen from a depressed £75,000 to £1m. as a result of a rights issue aimed at raising £800,000 is announced.

At half-year profit was up 88,000 to £432,000. For the year stated earnings were 1,243p (11.65p) on increased capital, and a final dividend of 3.25135p lifts the total to 4.35441p (3.94131p) absorbing £178,786. If the rate of tax is changed the final will be adjusted to maintain the same equivalent total at 4.65981p.

Daejan slows but betters forecast

MAKING most progress in the first half taxable profit of Daejan Holdings has risen from £1.8m. to £2.1m. as a result of a rights issue aimed at raising £1,000,000.

BARROW MILLING

Barrow Milling Company is selling its pig farm to Mr. William Dalton, a director, for £231,000. The farm has incurred losses in both 1976 and 1977. For the first six months of 1976-77 was £19,287.

Watson & Philip up 39%

A 50 PER CENT jump in sales from £17.1m. to £25.85m. enabled Watson & Philip to post a 39 per cent increase in profits to £2.1m. from £1.5m. in the 26 weeks to April 29, 1977.

First half surplus by Porvair

Makers of microporous synthetic materials, Porvair, made a profit of £69,000 in the first half of 1977, compared with a loss of £22,000 in the previous comparable period.

Yule Catto looking for at least £1.8m.

FIRST half pre-tax profit of Yule Catto and Co. more than doubled from £0.38m. to £0.94m. and the directors anticipate at least a 50 per cent increase in the second six months, provided there is no significant downturn in the prices of rubber and palm oil crops.

S. & U. Stores on target

The directors of S. and U. Stores report that results to date are extremely close to budget and are in line with the target for 1977, that the profit forecast of £1m. for the year to January 31, 1978, will be met.

RESULTS AND ACCOUNTS IN BRIEF

Table with columns for company names and financial results. Includes BAWMURGERS, CULLEN'S STORES, GOINBURGH AND GENERAL INVESTMENTS, BRISTOL EVENING POST, and GOSNOLD AND GENERAL HOLDINGS.

MINING NEWS

Iscor may sell its £67m. stake in Samancor

SHAREDEALINGS in the big Chrome in association with Union South African manganese and ferro-alloy producer, SA Manganese Amcor (Samancor), which is 45 per cent owned by the State steel group, South African Iron and Steel Corporation (Isacor), and which accounts for over half the Republic's manganese output, have been suspended in Johannesburg.

Isacor has had an approach to sell off its stake in Samancor, reports our correspondent. In February, Iscor's chairman, Dr. Tom Muller, who was once managing director of General Motors, started the South African business community by saying that the steel group's interests in the private sector might be disposed of. It was generally assumed he was referring to Iscor's stake in Mether, a holding company with numerous quoted engineering interests.

GOLD CEILING OF \$150?

The bullion price, which recently has been showing strength, is not likely to show a sharp advance for several periods for the time being, according to the Zurich Schweizerische Kreditanstalt.

STURGEON LAKE DRILLING

Drilling at Sturgeon Lake, in north-west Ontario, suggests that a significant copper-zinc deposit may be found on the property of Sturgeon Lake Mines, where a 200-ton trial of one day copper-silver operation has been working since the beginning of 1976.

Watson & Philip up 39%

THE directors of Edbro (Holdings) are taking steps to improve the company's competitive position and Mr. L. Findale, chairman, says he has no doubt that the price of the long-term future will remain good.

Edbro forecasts lower profits

The chairman tells members in his annual review that the best he could look for would appear to be a maintenance of the 1976/5 £2.7m. pre-tax profit, though even this might be optimistic.

Mann Egerton sales and profit growth

After interest charges halved to £170,000, Mann Egerton and Co., a subsidiary of Incheague and Co., reports taxable profit up 38.4 per cent to £3.5m. to a record £2.7m. On a current cost basis it is estimated that profit would be reduced by about £1m. to £1.7m.

Yule Catto looking for at least £1.8m.

Remaining stockholders take cash or elect to convert into shares. The holders of more than 90 per cent of the Preference and Ordinary stock of Assam Cement Yule Catto have accepted the offer for their stock, and notice has been given of the agreement with the Liquidator to acquire the balance of these stocks under Section 209 of the Companies Act 1948.

S. & U. Stores on target

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RESULTS AND ACCOUNTS IN BRIEF

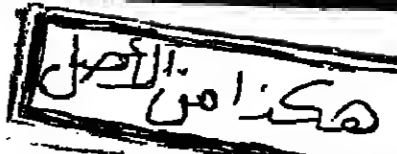
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Newman Industries Limited

Table with columns for 1976 and 1975 financial metrics. Includes Group turnover, Pretax profit, Profit available to Ord shareholders, and Earnings per share.

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'Investment' and 'Value'.

may sell its... in Samanco



Investment Trust Review

Trust companies and the institutional investor

By George J. J. Dennis

Investment Manager, The Post Office Staff Superannuation Fund

year or so we have seen... The number has risen...

Overseas Exposure

By tradition also investment trusts have sought geographical diversification...

Large funds, and in particular pension funds, tend to concentrate on the 210 U.K. companies...

history of investing in smaller companies, and in many cases have sophisticated management structures...

There are of course tax disadvantages for a gross fund in buying investment trust shares...

and are actively seeking ways to diversify and grow. However, some trusts are finding it increasingly difficult...

In general, investment trusts have gained over the years a reputation for sound cautious investment...

Around the Market

by Edward Sellers Laing & Crutchshank

Turnover in the sector at the end of June was relatively low and discounts continued to widen...

shares among the Ivory and Sime trusts; and the announcement of the terms for the Cable/Globe merger...

Asset Values

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Table with columns: Company Name, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value, Investment Currency Premium, Total Assets, etc. Lists various investment trusts and their financial data.

Table published 17 June 1977. A. Outward Investment Trusts Columns 6 & 7 were transposed and should have read 122.8 and 130.9 respectively. B. Includes special dividend... C. See note (b) below... D. Not directly comparable with previous published figures... E. Dependent on '6' share conversions... F. Change by the company...

STURGEON TAKE DRILLING. Precasts lower. Non sales growth.

Newman Industrial Limited. International engineering.

STURGEON TAKE DRILLING

Precasts lower

Non sales growth

Newman Industrial Limited

HOME NEWS

All Post Office services in profit

BY JOHN LLOYD, INDUSTRIAL STAFF

ALL POST OFFICE services are set to declare a profit for the first time since the corporation was created in 1969. Sir William Reel, Post Office chairman, told the Institute of Practitioners in Advertising in London yesterday that he expected a storm when the final figures were announced at the end of this month.

Govan output cuts losses to £6.9m.

BY ROY ROGERS, SHIPPING CORRESPONDENT

IMPROVED productivity last year helped Govan Shipbuilders to record a substantially lower loss than forecast. The loss of £6.9m. for the year ended last December 31 compares with a deficit of £9.5m. a year earlier. In the annual report and accounts Mr. Archie Gilchrist, managing director, says that the most encouraging feature last year was the substantial improvement in manufacturing efficiency, partly a result of the commissioning of new plant and equipment, but was also evidence of better management and improved working methods.

APPOINTMENTS

Chief Executive NIGERIA

THIS is a new appointment at the head of a joint venture company based in Northern Nigeria. Management control lies with the UK partner, a well known medium sized public company engaged in construction and contracting.

Write in complete confidence to N. C. Humphreys as adviser to the company. TYZACK & PARTNERS LTD 10 HALLAM STREET LONDON W1N 6DJ

Deputy Managing Director

Resulting from a decision to merge all our overseas activities in a single international entity, we are looking for a person to be responsible for the whole undertaking, embracing mechanical, pipe line, building and civil construction and other group activities.

TURRIFF

Save & Prosper raises charges

BY ADRIENNE GLEESON

INCREASES in the fees charged to investors in unit trusts were foreshadowed yesterday when Save and Prosper was given the go-ahead for an increase in the annual charges on Britain's biggest unit trust, S and P's investment Trust Units.

Local authority offers £1m. to help industry

FINANCIAL TIMES REPORTER

A LOCAL council is prepared to give £250,000 of help to industry in its area to increase prosperity. Under a new scheme, the first of its kind in West Yorkshire, Bradford companies could have rent-free periods, loans at reduced interest, or loans with no repayment for two years.

Brigades hard pressed

The dry countryside, exceptionally hot weather, and in many areas a shortage of water combined last year to produce conditions which fire brigades started to deal with very early in the season, says the annual report of the Chief Inspector of Fire Services.

INTERNATIONAL BANK IN THE CITY

requires experienced CREDIT ANALYST for expanding department

Only applicants with good all round experience in both Bank and Corporate balance sheet interpretation should apply. Good promotional prospects within our business development area.

Deputy Managing Director

Consumer Products Company, belonging to a major group. based in London. Key responsibilities cover Marketing, Sales and Finance. Candidates in their 30s must have prof. qual., advanced management skills and a trading flair. 5 figure package. Apply in writing to BARNETT KEEL LTD, Providence House, River Street, Windsor, Berks.

ACCOUNTANT/ FINANCIAL ADVISER

Circa £12,500 per annum. Since 1973 an insurance group of independent brokers, trading under an ACA of FCA in their London office. The 100% owned subsidiary will require an executive position with a lively approach to business. For a discussion in confidence, please contact: Eileen Miles IMOS Private Secretary, Insurance Personnel Selection Ltd, 6, Liverpool Avenue, London E.C.4, 01 586 5762.

ATTACHE OR STOCKHOLDER'S CLERK

Wishing to develop own personal investment clientele, offered facilities and assistance by small member firm of London Stock Ex. in confidence. Box 4, 0121, Financial Times, 10, Cannon Street, EC4P 4BT, or tel.: 01-949 4245 (Evening).

ENTREPRENEURIAL ECONOMIST

A major U.S. economic consulting firm is seeking an Entrepreneurial Economist to lead its developing European practice. Creating and managing growth in excess of 40% per year the challenge. The position, located in Brussels, supports the firm's work throughout Europe.

BOND DRAWING

PEGHINEY UGINE KUHLMANN French Public Limited Company. Capital: FF 250.000 Registered Office: 10 rue du Général Fay - Paris, France. R.C. PARIS 5 562 095 164. INTERNATIONAL BOND ISSUE 8% 1971/1978

PERSONAL SOCIETAS

A new venture in friendly relations for individuals who would welcome the opportunity of continuing their social pleasure with their social circle.

CONTRACTS AND TENDERS

GOVERNMENT OF MAURITIUS MINISTRY OF AGRICULTURE AND NATURAL RESOURCES AND THE ENVIRONMENT BULK SUGAR TERMINAL PORT LOUIS CLADDING CONTRACT NO. 5

By Order of the Stores Superintendent—HUMBER REFINERY, CONOCO LIMITED, Petro-Chemical & Gas Plant & Equipment surplus to requirements. AT THE HUMBER REFINERY SOUTH KILLINGHOLME GRIMSBY SOUTH HUMBERSIDE HENRY BUTCHER & CO.

COMPANY NOTICES

GRATERMAN'S STORES NOTICE TO SHAREHOLDERS DIVIDEND ON 23rd AUGUST 1977 IS HEREBY GIVEN AS FOLLOWS:

INTERNATIONAL APPOINTMENTS



HIGHER INSTITUTE OF TECHNOLOGY BRAK

The Higher Institute of Technology has openings for Medical Technologists, Food Technologists and Environmental Scientists.

Table listing 16 disciplines: Human Physiology, Anatomy, Parasitology, Haematology, Molecular and Cell Biology, Clinical Biochemistry, Medical Physics, Radiology, Insect Vectors, Tropical and Preventive Medicine, Clinical Microbiology, Insect and Reptilian Venom, Toxicological Control, Histology, Animal Physiology, Animal Husbandry, Food Technology, Food Process Control, Food Chemistry, Nutrition and Dietics, Environmental Analytical Science, Biology, Biostatistics, Chemistry. Includes salary range and increments column.

COMPANY NOTICES

GRATERMAN'S STORES NOTICE TO SHAREHOLDERS DIVIDEND ON 23rd AUGUST 1977 IS HEREBY GIVEN AS FOLLOWS:
1. Second 5% Cumulative Preference Shares - Dividend on 23rd August 1977 - 5% of nominal value of £5,000,000.
2. Third 5% Cumulative Preference Shares - Dividend on 23rd August 1977 - 5% of nominal value of £5,000,000.

LEGAL NOTICE

In the HIGH COURT of Justice, County of Middlesex, the matter of BEAR LIMITED and in the Matter of a Petition for the Winding Up of BEAR LIMITED. NOTICE IS HEREBY GIVEN that the hearing of the said Petition is fixed for the 19th day of September 1977, at 11 o'clock in the forenoon at the Court House, 35, Lincoln's Inn Fields, London, W.C.2.

PERSONAL

Mr. Asa... Death in... Crises... Mu...
A new venture in friendly relations for individuals who would welcome the opportunity of continuing their social pleasure with their social circle.

INTERNATIONAL FINANCIAL AND COMMERCE NEWS

AMERICAN NEWS

Berkey-Kodak case comes to trial

BY JAY PALMER

BERKEY PHOTO'S \$300m. anti-trust case against Eastman Kodak has finally come to trial this week, after well over four years of legal manoeuvring by both sides, in a Manhattan Federal Court.

Disclosure rules supported

BY OUR OWN CORRESPONDENT

A TOPLEVEL advisory panel set up by the U.S. Securities and Exchange Commission has formally recommended that the existing regulations pertaining to corporate disclosure are adequate and should not be radically altered.

It did he was strongly in favour of meeting company making the issue of regular projections mandatory.

Sales rise at Dyno Industrier

DYNO INDUSTRIER, the Norwegian producer of explosives, chemicals and plastics, and importer of earth-moving equipment, reports a rise of Kr.53m. in sales in the first six months of this year to Kr.547m., in comparison with the same period last year reports Fey Giester.

Papyrus disappoints as margins shrink

BY WILLIAM DUFFY

PAPYRUS, the Swedish pulp, paper and board concern, reports pre-tax profits of Kr.122m. (£16.3m.) on sales of Kr.1,511m. (£200m.) for the 18-month period ending March 31. The result indicates that the concern's margin shrank appreciably during the last six months of the period.

Papyrus had earnings of Kr.105.5m. on sales of Kr.945m. for the year ending September 30. The stock market then expected the integration with Kopparfors to give improved earnings during the following six months.

Sig. Medici named as Montedison head man

By Dominic J. Coyle

SIG GIUSEPPE MEDICI, a former minister of both industry and external affairs, was today named as chairman of Montedison, the vast chemicals and textiles conglomerate, to replace the retiring Dr. Eugenio Cefis.

There was an immediate indication here to-night as to whether Sig Medici is, in fact, to act in a full-time executive capacity, and in the past few days, the Andreotti government sought in vain a degree of all-party agreement on a replacement for Sig Cefis, there was speculation that any new chairman might be supported by a newly-appointed chief executive.

German Ford profit soars to £160m. as sales leap

BY GUY HAWTIN

FORD MOTOR Company's West German operation had a "superlative year" in 1976. Profit was even more striking of all types this year. This German operation had a "superlative year" in 1976. Profit was even more striking of all types this year. This German operation had a "superlative year" in 1976.

The Cologne-based Ford-Werke A.G. increased sales last year by 36 per cent. from DM.6.97bn. to DM.9.46bn.

Liebherr sees sales rise

BY OUR OWN CORRESPONDENT

LIEBHERR, the West German plant and machinery manufacturer, is forecasting a rise of more than 10 per cent. in sales during 1977. At the same time, it announced a two-pronged business strategy of securing its position in the construction machinery market, while diversifying into other products and market sectors.

The group's largest production sector was the cranes division, which manufactures cranes for the construction and shipbuilding industries, together with mobile cranes and those used for handling containers. Last year the division's turnover rose by 50.5 per cent. to DM390m.

Leclerc chiefs face probe

By Our Own Correspondent

THE FORMER management of Leclerc, the private bank being purchased by Barclays (Switzerland), has been made the subject of an official investigation by the Geneva State Prosecutor, M. Raymond Fex, reports our Geneva correspondent.

The investigation was announced at the same time as federal banking authorities accorded Leclerc a six-month period of grace before opening bankruptcy proceedings.

Leclerc was forced to close its doors early in May after incurring losses estimated between Sw.Frs.20m.-30m. The losses involved unsuccessful real estate investments.

Rheinmetall sees growth

BY OUR OWN CORRESPONDENT

RHEINMETALL, the West German armaments and defence equipment manufacturer, is looking forward to an improvement in sales and profits this year. Turnover is expected to rise by about 10 per cent, while investment totalled DM60.1m., according to the management.

EUROBONDS

BY MARY CAMPBELL

THE U.S. dollar sector of the market continued to mark time yesterday with little change in the exchange rate has been set at Y284.19 per U.S. dollar.

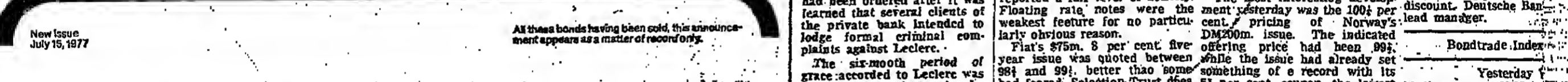
Dollar sector marks time

BY MARY CAMPBELL

THE U.S. dollar sector of the market continued to mark time yesterday with little change in the exchange rate has been set at Y284.19 per U.S. dollar.

Final terms of Njico Electric's convertible issue were set yesterday. The price is par on a coupon of 6 per cent, as indicated. The conversion price has been set at 749/16 per share, a premium of 9.4 per cent. over the 1952 closing price yesterday.

Table with columns for Bond, Yield, and other metrics. Includes entries like '10 Year 12.25', '5 Year 10.75', etc.



CITY OF MONTREAL Canada

DM 150,000,000 7% Bonds due 1987

Large table of financial data and company names, including 'WESTDEUTSCHE LANDESBANK GIROZENTRALE', 'A. E. JAMES & CO. Limited', and 'ADELA INVESTMENT COMPANY S.A.'. It also features a large 'E' logo and details about 'SELECTION TRUST LIMITED' bonds.

Stochastic chartism gains ground

to be
s Report
nation is used.

Touch

— OR technical analysts will repeat itself, projects the same formula forward as if it had some magical and enduring significance. In terms of credibility the chartists have not really helped their cause by the jargon they use. The talk of "head and shoulders," "flags" and "penchants" formations is enough to make those who are not part of the game cringe.

It does not inspire faith that the chartists do not even agree among themselves—rather in the fashion of economists. Some chartists react in patterns while others watch for strength and momentum.

Purists

The common denominator, however, is always the price. The purists would argue that the price alone contains all the fundamentals there are—profits, expectations of future profits, etc.—and that it also reflects the buying selling pressures from all investors. From whatever standpoint, whether they have inside information, whether they are simply responding to some new piece of fundamental information or whether they are buying for yield. They would argue that the price is the one thing that is real and certain and that it stores all the information known by everyone. But that way, the argument is difficult to dispute.

Shrill of privileged information, the purists would argue that fundamentals are actually worthless since they are based on historical data. The world does up a formula at large does not normally see the results of a company until and then, in the two or three months after a financial period has ended and they do not see the balance sheet until some time after that. A brilliant fundamental analyst may well, after months of study, actually come up with something that no one else has noticed and is genuinely price sensitive. But until others know it will not be reflected in the share price. This, he could well be absolutely correct in all his assumptions but six months too early. While he is waiting for the share price to move he may well be missing other and more immediate opportunities.

It is also very difficult for the fundamentalist in this situation to change his mind. If the proof that his assumptions were correct is not forthcoming in the behaviour of the share price, his only resort is to go back and check his figures or information. If he still thinks he is right, what does he do? He can either be stubborn and stuck doggedly to his share hoping that it will come right—by which time the whole market may have transformed from bull to bear, or vice versa—or he can accept the facts and go and find something else. Either way it is frustrating.

The technical analyst may also point to the "arrogance" of the fundamentalist who is really trying to forecast future probability when that company's management, with infinitely more up-to-date information, is itself incapable of looking ahead with any degree of certainty.

So, the technical analyst's argument runs, you go full circle and end up with the only certain thing—the price and its strength or weakness. But just plotting the share price and watching for signals, seems too simple for the fundamentalist's stomach. Their attitude appears to be that if you have not spent weeks or even months sifting through pages of statistics, then the end result cannot be any good. They find it difficult to swallow that work rate or effort does not necessarily have any relationship with success.

But the chartists themselves are not uniform in their approach—which is just as well, since if it were all as simple as that there would be no market at all. Some technicians favour point and figure charts, others bar charts. Some relate price fluctuations to indices to judge relative strength; some relate to money supply; some to gilts. If you relate to too many factors then you can become more confused than ever. And if there is really a true relationship between one medium and another, it is unlikely to be enduring once everyone has spotted it.

For those who put their faith in patterns and formations it is worth pointing out that there is one fatal flaw. A pattern that appears on one chart can be made to disappear, or at least be rendered insignificant, merely by changing the scale of the chart.

A lot of thought is also being given to investor psychology. Share prices rarely move strongly in either direction for any great period of time: they leap up and down occasionally, but most of the time drift more or less sideways. Technical analysts study carefully the so-called "herd instinct."

As a share price begins to move in a positive way, it attracts attention and more people pile in and exaggerate that trend further. That in turn attracts still more people and the share price can clearly be seen on a graph to accelerate towards a climax. The theory is that the steeper the rate of climb or descent the closer you are to seeing the trend reverse—that is, a time for the shrewd to either jump in or out.

Shares can also be seen to move within a rough range: it may move up and down at times but never really breaks out convincingly at either the top or bottom end. However, when it does move out, holds the move and consolidates, then apparently is the time to take a closer look.

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Cards and computers store the data

STMENT analyst, Hoare Govett and by 1972 64 terminals had been installed in customers' offices—some in the form of teletype machines and others in the more refined form of visual display units. Well over 200 terminals, mainly VDUs, have now been installed.

Verily, probably, DataSTREAM's success would have been even more rapid had the parent not been a stockbroking firm. Rivals were not of a mind to pay a fellow broking firm for the service, no matter how desirable or how autonomously it was operated.

If that was an obstacle it has now been removed. DataSTREAM was sold off to a consortium of companies led by BOC International and Touche Renmant last summer. Others involved were Commercial Union, London Trust, Prudential and Lazard Brothers.

The change of ownership has not only made the service more acceptable to broking firms, it has also given the DataSTREAM executive the confidence to enter the niche markets in the knowledge that it has huge backing if and when required.

The service itself is developing too. The statistics—which are all DataSTREAM's own for the U.K.—regarding balance sheet items are supplemented as quickly as by economic and price information. For £10,000 a year (the price is also in install DataSTREAM) it is possible to have DataSTREAM streams of information on company data in any of the major stock markets in any language and on stockbrokers in any combination. Thus it is possible to ask the computer to list, say, all the companies in one sector which have a return on capital employed of a minimum percentage, in descending order. It is also possible to extract an opinion or value a portfolio.

Higher

On an even higher plane, it is possible to see what effects changes in economic policy can have on the economy as a whole by feeding the information through the two econometric models—one U.K., one U.S.—stored in the computer.

DataSTREAM's virtual monopoly in computer-based statistics is now being challenged. Exchange Telegraph has struck back with the formation of Exstat—a sort of Exchange Telegraph card on computer tape. Information on over 2,000 British, European and Australian companies is stored, giving 100 profit and loss accounts and balance sheet items for each company.

A very significant link has been forged with Interactive Data Corporation (IDC), a subsidiary of Chase Manhattan Bank. There are basically two ways to gain access to information stored on Exstat. One is to take an updated tape every week and use it on your own computer or buy computer time elsewhere; the other is to opt for access via a time-sharing arrangement through Interactive Data Corporation. In practice this means a terminal in the office which is activated by a dialled-in telephone call to IDC's computer.

If you become a customer of IDC, rather than a customer of Exstat alone, there is further access to IDC's own data bank on U.S. companies. In all IDC (using Exstat) can give information on 5,900 leading Western companies.

But some take an interest in other markets than just equities and in other forms of information: than raw statistics—in charts, for example.

One up-and-coming group specialising in charts and statistics, but only in the area of commodities, is Eurochart, a subsidiary of Eurocommodities. The charts cover not only the London Metal Exchange, but also New York, Chicago, the Sydney wool and Amsterdam potato markets and currencies. The charts are all updated on the Friday evening after the markets have closed and printing continues throughout the night in time to catch the Saturday midday post so that the customer can start the week

bang up to date. The information comes with full technical analysis by the firm's researchers.

The second leg of the business is the Commodities data bank which has only just started life. The service will provide "on-line" information—high, low, close, volume—which includes the Financial Times Actuaries Commodity and All Share indices, and other indices from Moody, Reuters and Dow Jones. Currency and economic data are also stored.

Access is on the time-sharing basis and an easy-to-use system of "computer language" has been developed so that the subscriber does not have to be a computer expert to obtain the benefits. According to the firm, the programme contains every known mathematical form and it is possible to obtain a forecast by marrying up "the economic" and fundamental detail with technical analysis.

Other Eurochart services include quarterly publications, a consultancy service—you can phone in for instant interpretation from a technical analyst—a specialised chart service and an option evaluation programme.

Embraces

There are in fact quite a number of specialist chart firms. Chart Analysis, for example, embraces the whole range, from commodities to equities and currencies. It produces a weekly book of "point and figure" charts on 800 leading U.K. companies, another book of leading shares in 18 international stock markets and both point and figure and bar charts for the commodities markets. It will also accept special research projects.

Similar ground is covered by Investment Research, which is based in Cambridge. The presentation is different in that the charts produced are "daily range" and "close"; that is, bar charts and the continuous line graph coupled with a relative strength indicator. This service covers around 600 U.K. equities. There is also a microfilm service to cover the London stock market and two further services to cover the commodities.

Clearly then, the number of organisations selling statistical services—whether in raw or graph form—is on the increase. Current indications are that the approach will be one of increasing sophistication and a more international approach, though at the end of the day it will always come down to the interpretative skill of the individual

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fishy aid fishing

AIMED at the British fishing fleet international limits should be set...

NZ butter price snub may spark fresh EEC battle

THE COMMON Market Commission has set the scene for another pitched battle between Mr. John Silk...

W. Germany uses less cocoa

By Our Commodities Staff THE LONDON cocoa futures market has experienced a sharp decline...

GRAIN SURPLUS Food stockpiles not the answer

AFTER ALL the years of universal starvation during the last few years...

life potato

AVAIL July 14. ES of potatoes, firm and fresh...

British grain storage assured

BRITAIN'S agricultural support buying agency is building up a network of converted aircraft hangars...

Japan buying boosts sugar

JAPANESE REFINERS have been buying sugar on the world market to avoid any shortages...

U.S. soyabean crop rise forecast

WASHINGTON, July 14. The U.S. Agriculture department projected soyabean production in the 1977/78 season...

new low

AVAIL July 14. Further \$10 on here in a new low of \$300/315...

Palm oil supply pledge

Board's annual report for 1976, chairman Alan Shaw pointed out that no grain had been sold into British intervention stores since the U.K. joined the EEC...

Japan buying boosts sugar

JAPANESE REFINERS have been buying sugar on the world market to avoid any shortages...

Chicago open despite New York closure

CHICAGO, July 14. U.S. DISTRICT COURT Judge John Crowley yesterday decried a ban on four leading U.S. commodity houses...

Table with columns for various commodities like Tin, Rubber, and Soyabean Meal, showing prices and changes.

Table with columns for Coffee, Grains, and Soyabean Meal, showing prices and changes.

Table with columns for Rubber, Soyabean Meal, and Sugar, showing prices and changes.

Table with columns for Price Changes, showing various commodity price movements.

Table with columns for U.S. Markets, showing prices for various commodities.

CITY MARKET REPORTS AND PRICES

London Metal Trading reported that in the morning cash trading was active...

COFFEE

London options about unchanged in quiet conditions and improved gradually...

SOYABEAN MEAL

London Soyabean Meal futures market was active...

PRICE CHANGES

Prices, per tonne, unless otherwise stated.

U.S. Markets

Chicago open despite New York closure...

FINANCIAL TIMES SURVEY

Financial Times is preparing to publish a survey in its edition of August 19...

GRAINS

LONDON FUTURES (CMTA) - Soyabean meal futures market was active...

SUGAR

LONDON DAILY PRICE (RAW SUGAR) - London daily price for July-August...

WOOL FUTURES

LONDON - The market was dull and unattractive...

FINANCIAL TIMES

REUTERS' - July 14 July 15 (Monday) 400.00...

COPPER

Financial Times is preparing to publish a survey in its edition of August 19...

WHEAT

LONDON FUTURES (CMTA) - Wheat futures market was active...

MEAT/VEGETABLES

MEAT/VEGETABLES - Market prices for various commodities...

FINANCIAL TIMES

REUTERS' - July 14 July 15 (Monday) 400.00...

Bigger U.S. cotton crop

THE U.S. Agriculture Department has said that a 15 per cent increase in cotton acreage points to a much larger crop in the 1977/78 season...

STOCK EXCHANGE REPORT
Markets rally after reacting on Government's call for confidence vote—Share index unchanged at 449.9

Account Dealing Dates
*First Declara- Last Accounting
Dealings Close Dealings Day
Jan. 27 July 7 July 8 July 19
July 11 July 21 July 22 Aug. 2
July 25 Aug. 4 Aug. 5 Aug. 16

often to j. before quickly reverting to overnight list levels on the unexpected afternoon return of political uncertainties. Meanwhile, the shorter maturities had moved in the opposite direction, to the extent of 1/2 following talk of a sizeable foreign selling order being in the wings, but a more probable inference was the considerable switching from Exchequer 84 per cent, 1992, to longer dates. Just before the close, however, a harder tendency developed and, assisted strongly by last month's surprisingly good trade returns, the movement continued after-hours to leave the long at their best limits and the shorts rally marginally easier on the day. The latest money supply statistics were broadly in line with expectations and did little for sentiment. Corporations retained a rising tendency and settled 3 higher in places.

A mid-afternoon turnaround to 388p in JCI was partially recovered and the shares closed a net 2 of at 385p. Allied Colloids responded to more than doubled profits and the proposed two-for-one scrip issue with a rise of 5 to 225p, after 33p. Fisons improved 5 to 350p, and Laporte 3 to 109p. News that Sears had placed 42m. shares of its holding in Freeman's (London) at around 216p a share left the latter 4 lower at 226, but Sears gained 2 1/2 to 44m. Elsewhere in Stores, the leaders closed virtually unchanged on the day after having been a penny or two higher. Jewellers encountered demand with Raters still reflecting recent

lowed ones that bid talks are taking place with Newman Industries. Benjamin Priest rose 9 to 68p on the dividend-boosting rights issue which accompanied the annual results and English Card Clothing responded to Fisons comment with a jump of 10 to 78p, after 33p. Better-than-expected preliminary figures boosted Howden Group, up 3 at 49p in the late trade and, despite lower profits, Young Amey rose 2 to 77p on the proposed scrip issue. Half-Engineering continued to reflect news of Marchetti's 7 per cent, holding in the company and rose 5 more to 87p. Associated Dairies came to the

at the annual meeting. Elsewhere, Kelsey Industries, featured with a jump of 16 to 123p on the capital proposal. Harris Lebus responded to the results with a rise of 8 1/2 to 46 1/2p, while up 3 at 51p, also reflected satisfaction with the preliminary statement. On the other hand, Colmex Industries at 55p, gave up 7 of the previous day's jump of 11 while following news of the bid approach. Firm at 54p in front of the results, United Gas reacted on them to close 1/2 lower on balance at 48p. United Carriers improved 3 to 51p following news that Transport Development Group had increased its stake in the company to 10.8 per cent. Occasional buying interest was shown in Morgan Crucible, 6 to the good at 115p, while continued demand for a restricted market left Whatman Reeve Angel up 10 more at 265p. Rank Organisation improved to 20p before rising 4 up on balance at 200p. The results are due on Monday, Braby Leslie were supported at 74p, up 2, but Suits closed a penny lower at 49p following the preliminary results.

ERF continued to figure prominently in otherwise lack-lustre Motors and Distributors, improving on the day to 27p on continuing bid speculation following the substantial trading recovery. Fedens, recently subject to an abortive takeover bid from Rolls-Royce, continued to trade at 31p, while Industrials turned reactionary, slipping to 28 1/2p on the company's prolonged toolroom dispute before rallying late with the other market leaders to close only 2 cheaper on balance at 290p. Keeping a firm market of late on trading news, eased 1/2 to 68 1/2p. Of the isolated firm spots, Dottoman, after a rise to 40p and Flight-Refrigerating moved up 2 1/2 to 71p. Speculative buying on the company's North Sea interests lifted Thomson to 81 1/2p on the day, while the share of 610p for a net gain of 5. Daily Mail improved 5 to 270p. Paper/printings were featured by the resumption of dealings in De La Rue, which closed at 154p on Wednesday at 165p, the shares opened at 180p in line with the counter-offer from Canadian Overseas Packaging Industries and advanced further to 154p on the closing at 181p, the original offer was 165p a share from the Swedish state-owned ASSL

FINANCIAL TIMES STOCK INDICES
Table with columns for Government Sec., Fixed Interest, Industrial Ordinary, Gold Mines, etc., and rows for July 15, July 14, July 13, July 12, July 11, July 10.

HIGHS AND LOWS
Table with columns for High, Low, and rows for Govt. Sec., Fixed Int., Ind. Ord., Gold Mines.

OPTIONS TRADED
Table with columns for DEALING DATES, For, Deal, Last, Declara, Last, Settling, and rows for national, Lomcho, BP, Celtic, Haven, etc.

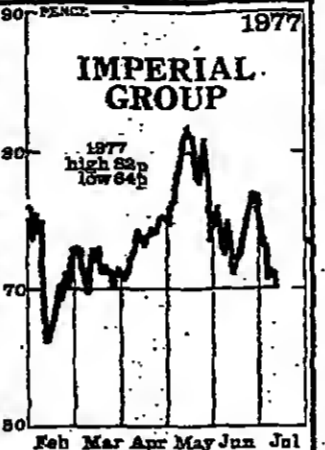
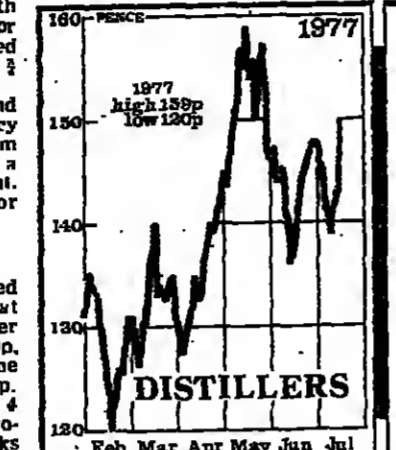
NEW HIGHS AND LOWS FOR 1977
Table with columns for FOREIGN BONDS, U.S. BONDS, U.S. STOCKS, etc., and rows for various indices.

RISES AND FALLS YESTERDAY
Table with columns for RISES, FALLS, and rows for various stock categories.

FT ACTUARIES SHARE INDICES
Table with columns for EQUITY GROUPS, Thurs, July 14, 1977, and rows for various equity groups.

FIXED INTEREST PRICE INDICES
Table with columns for British Government, 1-5 years, 5-10 years, 10-15 years, 15-20 years, and rows for various interest rates.

PRICE MOVEMENTS
Table with columns for Index No., Thurs, July 14, and rows for various indices.



record profits and gaining 3 more to 98p. H. Samuel A also rose to 163p, as did James Walker, a 40p. S and U Stores were a dull spot on the annual loss and declined 1 1/2 to 93p.

GECC, unaltered at 365p after being up to 290p reflected the trend in the Electrical leaders. Elsewhere, MK Electric, an old bid favourite, closed 3 to the good at 182p, after 185p. Ward and Goldstone continued firmly at 11 1/2p, up 1, while Rascal were also supported and put on 6 to 46p.

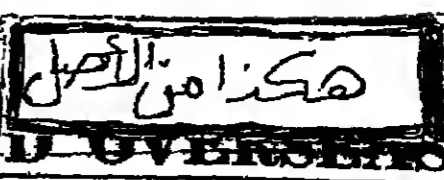
BP ease afresh
After fluctuating nervously, the British Petroleum issues were not helped by talk that the U.S. industrial leaders ended the day without much alteration, and, however, continued to reflect a recent broker's circular and put Wall Street the fully paid eased on 3 to 53 1/2p, while Boots ended further to 80 1/2p before picking up to close at 86p for a fall of 2 1/2p on the day, the partly paid ended

ENTERTAINMENT GUIDE
CC—These theatres accept certain credit cards by telephone or at the box office

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THEATRES
THEATRE COMPANY
MUSIC
THEATRE COMPANY
MUSIC
THEATRE COMPANY
MUSIC

RECENT ISSUES
EQUITIES
FIXED INTEREST STOCKS
RIGHTS OFFERS
ACTIVE STOCKS
Table with columns for Stock, Denom, Closing, Change, 1977, 1977.

FT ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.
Table with columns for EQUITY GROUPS, Thurs, July 14, 1977, and rows for various equity groups.



AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., and others with their respective performance metrics.

Table of Offshore and Overseas Funds listing international investment vehicles like Arbutnot Securities (I.L.) Limited, Australian Selection Fund NY, and others.

NEW HIGHS AND

Table listing various financial indicators and market movements, including 'NEW HIGHS AND' and 'ACTUARIES SHOW'.

ACTUARIES SHOW

Table detailing actuarial data and financial statistics, including 'ACTUARIES SHOW' and 'LIFE LEADING RATES'.

RICE MOVEMENTS

Table showing rice market movements and prices, including 'RICE MOVEMENTS' and 'LIFE LEADING RATES'.

LIFE LEADING RATES

Table listing life insurance leading rates and other financial data, including 'LIFE LEADING RATES' and 'RICE MOVEMENTS'.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products, including 'INSURANCE, PROPERTY, BONDS' and 'LIFE LEADING RATES'.

CLIVE INVESTMENTS LIMITED advertisement with contact information and investment details.

INSURANCE BASE RATES advertisement showing rates for Property Growth and Cannon Assurance.

NOTES section providing additional information and disclaimers.

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various British funds like British Bond, British Equity, etc.

SHORTS (Lives up to Five Years)

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various short-term investments.

OVER FIFTEEN YEARS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various long-term investments.

INTERNATIONAL BANK

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various international bank shares.

COOPERATION LOANS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various cooperation loans.

COMMONWEALTH & AFRICAN LOANS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various commonwealth and African loans.

FOREIGN BONDS & RAIS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various foreign bonds and rais.

S.E. List Premium 30% (based on \$1.7198 per \$)

CANADIANS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various Canadian stocks.

BUILDING INDUSTRY - Continued

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various building industry stocks.

DRAPERY AND STORES - Continued

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various drapery and stores stocks.

ENGINEERING - Continued

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various engineering stocks.

BANKS AND HIRE PURCHASE

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various banks and hire purchase stocks.

HIRE PURCHASE, ETC.

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various hire purchase and other stocks.

BEERS, WINES AND SPIRITS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various beer, wine, and spirit stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various building, timber, and road stocks.

ELECTRICAL AND RADIO

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various electrical and radio stocks.

CHEMICALS, PLASTICS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various chemical and plastic stocks.

CINEMAS, THEATRES AND TV

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various cinema, theatre, and TV stocks.

DRAPERY AND STORES

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various drapery and stores stocks.

ENGINEERING, MACHINE TOOLS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various engineering and machine tool stocks.

FOOD, GROCERIES, ETC.

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various food and grocery stocks.

HOTELS AND CATERERS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various hotel and caterer stocks.

AMERICANS

Table with columns: Stock, Price, % Chg, Div, Yield. Lists various American stocks.

Large table on the right side of the page containing various stock listings with columns for Stock, Price, % Chg, Div, Yield.

Conversion factor 4.756 (0.716)

Handwritten Arabic text: "مركز من الصل"

STOCKS—Continued

Table of stock prices and market data, including columns for stock names, prices, and changes.

MOTORS, AIRCRAFT TRADES

Table listing various motor and aircraft trade companies and their stock prices.

PROPERTY—Continued

Table of property-related financial data, including regional property prices and investment trusts.

TRUSTS—Continued

Table of trust companies and their stock prices.

TRUSTS—Continued

Table of trust companies and their stock prices.

NOMURA The Nomura Securities Co. Ltd. advertisement with contact information for London and New York offices.

MINES—Continued

Table of mining companies and their stock prices.

AUSTRALIAN

Table of Australian companies and their stock prices.

TINS

Table of tin companies and their stock prices.

COPPER

Table of copper companies and their stock prices.

MISCELLANEOUS

Table of miscellaneous companies and their stock prices.

NOTES

Notes section providing detailed information about company shares, dividends, and other financial details.

OVERSEAS TRADERS

Table of overseas trading companies and their stock prices.

RUBBERS AND SISALS

Table of rubber and sisal companies and their stock prices.

TEAS

Table of tea companies and their stock prices.

Sri Lanka

Table of Sri Lankan companies and their stock prices.

Africa

Table of African companies and their stock prices.

MINES

Table of mining companies and their stock prices.

EASTERN RAND

Table of Eastern Rand mining companies and their stock prices.

FAR WEST RAND

Table of Far West Rand mining companies and their stock prices.

O.F.S.

Table of O.F.S. companies and their stock prices.

FINANCE

Table of finance companies and their stock prices.

DIAMOND AND PLATINUM

Table of diamond and platinum companies and their stock prices.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies and their stock prices.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising companies and their stock prices.

PROPERTY

Table of property-related financial data.

TOBACCO

Table of tobacco companies and their stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies and their stock prices.

Finance, Land, etc

Table of finance, land, and other companies and their stock prices.

SURANCE

Table of insurance companies and their stock prices.

REGIONAL MARKETS

Table of regional market data and stock prices.

OPTIONS

Table of options and 3-month call rates.



THE LEX COLUMN

Waiting for the Chancellor

End over-capacity in fibre production, EEC demands

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

A bid to sort out Europe's over-capacity to produce synthetic fibre is being made by the EEC Commission...

sharp rise in imports of textiles and clothing, and by growing third-country competition...

Election expected as Kerr resigns

BY KENNETH RANDALL

CANBERRA, July 14

THE RESIGNATION OF Sir John Kerr as Australian Governor-General is expected to be followed by a general election within the next year...

ICI drops plan to use cars for pay rises

By Nick Garnett, Labour Staff

ICI'S SCHEME to give top executives company cars in place of pay rises has been scrapped after objections from the Department of Employment...

Gas prices pegged but no rebate for consumers

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH GAS has been ordered by the Price Commission to peg its prices until £36.6m worth of excess profits have been used...

aside for essential engineering work. Most of the £36m had been earmarked for the replacement of gas mains and the installation of more high-pressure transmission pipelines...

Sharp rise in money supply growth

BY MICHAEL BLANDEN

THE GROWTH of money supply accelerated last month after the pause in May, though in the first two months of the current financial year the current annual rate is still within the target range set by the Government...

This compares with the growth of 9.13 per cent which the Chancellor has said would be consistent with the targets for the half year. The increase in domestic credit is the combined result of an increase in bank lending...

Alaskan pipeline hitch

BY RAY DAFTER

THE TRANS-ALASKAN pipeline will be operated at little more than two-thirds capacity when it is reopened following the pump station explosion and fire on July 8.

Continued from Page 1

No White Paper

inevitably lead to the fall of Mr. Callaghan's administration. Although a White Paper, has been abandoned for the time being, one might be legally necessary to trigger off some of the Price Code provisions under the Remuneration Charges and Grants Act of 1975.

Continued from Page 1

Three MPs criticised

ling was not only deputy leader of the Conservative party but its chief spokesman on the Commonwealth, colonies and overseas development. Mr. Roberts received £208 a month from Mr. Poulson as a consultant, says the report. It recognises he did not engage in any improper Parliamentary activity and was in part representing the interests of some of his constituents.

Schmidt predicts 4.5% growth

BY JURK MARTIN, U.S. EDITOR

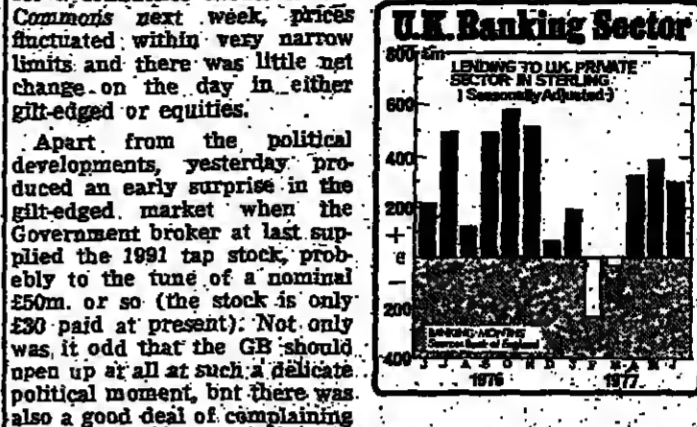
WASHINGTON, July 14

HELMUT SCHMIDT, the West German Chancellor, contended strongly here today that his country was more than bearing its share of the load required to bring down its unemployment rate significantly.

Weather

Table with columns for U.K. TO-DAY, MAINLY DRY, and BUSINESS CENTRES. Lists weather conditions for various cities like London, Edinburgh, Glasgow, etc.

Index 449.9 (same)



Healey will need to re-emphasise the Government's determination not to budget from the monetary targets.

Distillers

For Distillers, 1976-77, has been a year of substantially improved selling prices and of increases in market share around the world. The result is that profits have jumped from £90.8m. to £130.4m. with the second half bringing a gain of 60 per cent.

Imperial Group

Trading profits on slumped from £46.592.2m. in Imperial half-year to end-April, partly caused by Budget the second half last year. This figure should be behind in the current margins improved by price-rise and a full promotional storm brew around the January changes. It will be a second half of next year, before the battle of a diminishing market and margins can fully recover.

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